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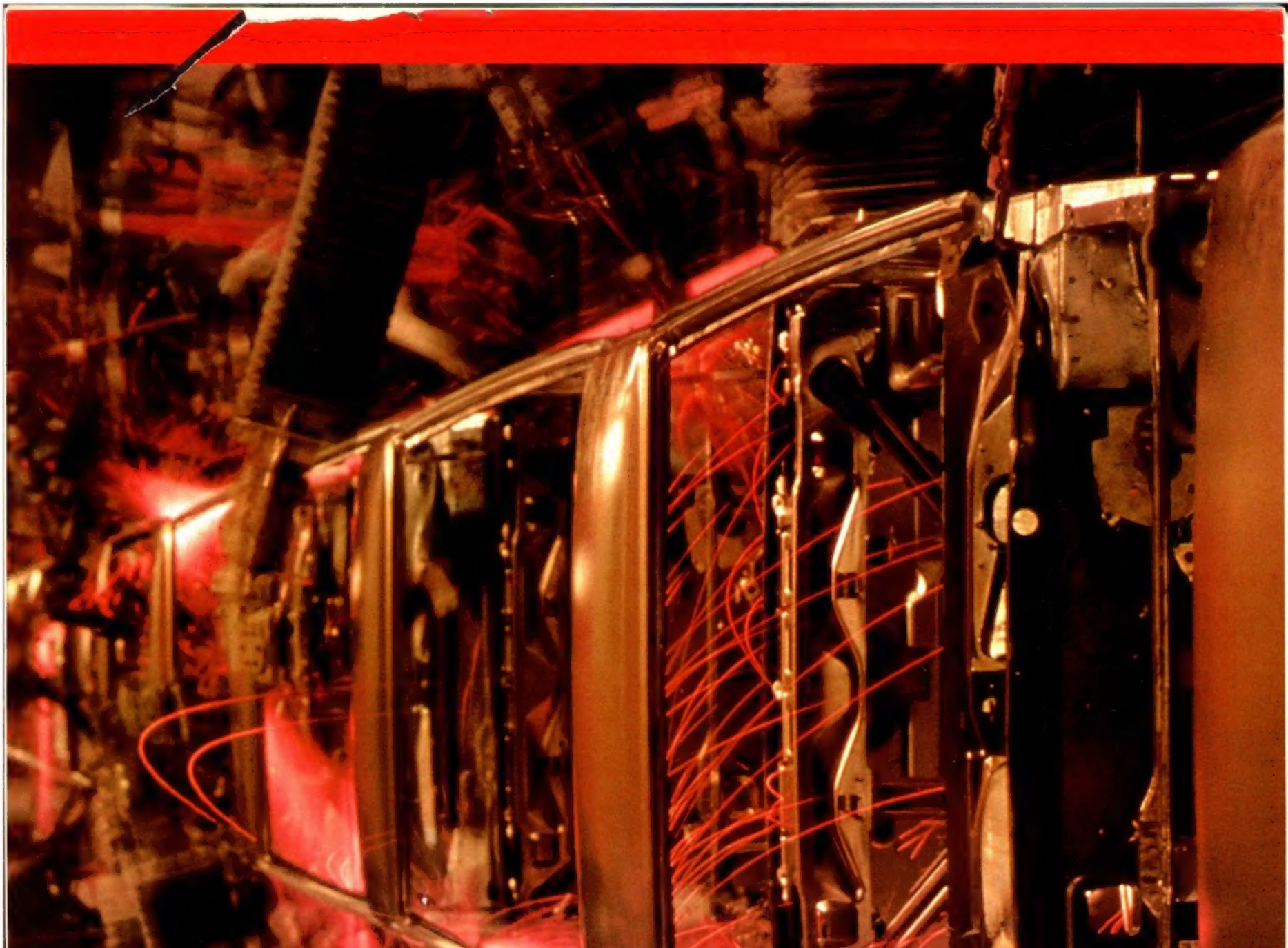

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FEBRUARY 23, 1981 Vol. 117 No. 8

TIME

THE WEEKLY NEWSMAGAZINE

A Letter from the Publisher

The cover of this issue, symbolizing American Renewal, heralds both a special section of TIME stories on the subject, 25 pages in all, and our participation in an unprecedented joint venture in journalism. For the first time since the company was founded nearly 60 years ago, all Time Inc. magazines—TIME, FORTUNE, LIFE, SPORTS ILLUSTRATED, MONEY, PEOPLE, DISCOVER—are addressing a common theme. American Renewal examines what can be done to restore confidence in ourselves and our future. As Editor in Chief Henry A. Grunwald writes in his introduction: "Our chief purpose is to dispel the notion that nothing can be done."

It was eight months ago that Grunwald first met with Time Inc.'s managing editors to discuss the mood of weakness and self-doubt taking hold of American life. Recalls Grunwald: "The country had faced crises before, but it was hard to find a moment since World War II when so many different ones came together at the same time. It was our view that a reversal of American fortunes was certainly possible, and that journalism had a responsibility to play a part." The result is an editorial endeavor that will total more than 160 pages in Time Inc.'s magazines.

National Editor John Elson, who edited last year's special issue on the Soviet Union, was in charge of TIME's American Renewal effort. Says he: "TIME has always tried to interpret the news as well as report it. This week we are going one step further—we are offering some possible solutions to the difficulties the nation faces." For his story on U.S. political institutions, Senior Writer Otto Friedrich returned to many of the themes explored in TIME's 1976 Bicentennial issue, which he edited. "Defining the changing role and the ultimate power of the Congress is just as important today as it was 200 years ago," says Friedrich. Diplomatic Correspondent Strobe Talbott analyzed American foreign policy and defense, and Senior Writer Lance Morrow wrote about the duties of citizenship. Morrow is obviously serious—if somewhat literal minded—about American Renewal. He and his wife Brooke are expecting their second child on the Fourth of July.

■ ■ ■

TIME's special editorial section on American Renewal is being reprinted along with those appearing in Time Inc.'s other magazines. The booklet may be obtained by sending a check or money order for $1.50 to: American Renewal, Time Inc., Box 11011, Chicago, Ill. 60611. Information about special bulk-order rates can be had by calling 312-329-7117 or writing to the address above.

John a. Meyer

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Cover: Illustration by Robert Giusti.

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Letters

Standing Tall

To the Editors:

Our nation had a patriotic bath with the hostage release and Inauguration ceremonies [Feb. 2]. Now let's see how long we stay clean.

Lois Perison
Rancho Palos Verdes, Calif.

What a week! America and Americans stood 10 ft. tall. How great it felt!

Pat Halberstadt
Dallas

Long live the Red, White and Blue! And let us welcome the yellow ribbon, our new symbol of care and courage.

Judy Baker
Bothell, Wash.

ARTHUR GRACE

Ex-Hostage Laingen and President Reagan

We Americans are so in need of self-esteem that we give a heroes' welcome to people who simply endured as captives. Neither we nor the hostages earned the right to the celebration we shared.

James A. Kern
Miami

Thank goodness they are home. But will our emotions blind us to the events that led to the embassy seizure? The U.S. role in reinstalling the Shah in 1953 and our continued support were as inexcusable as Iran's recent behavior. The hostages suffered for America's sins.

Stephen McCurdy
San Francisco

I do not want to take away anything from the joy of the hostages' return, but we should think about the Viet Nam veterans and P.O.W.s, who were subjected to a lot more hell and for much longer than were the hostages, and who were ridiculed for doing what their country asked.

Paula K. Randall
Taos, N. Mex.

We must not let our joy blind us to reality. The British made a patriotic myth out of Dunkirk, based on courage and exertion, but Dunkirk was still a staggering defeat. The overthrow of the Shah by Khomeini was a defeat for American foreign policy, heightened by our impotence during the hostage crisis. We are still in serious trouble in the Persian Gulf. That is what we have to remember.

William Allardice
Knoxville, Tenn.

Needed: Experience

The ultrarestrictive provisions of the new Ethics in Government law [Jan. 26] are not "worth the price." At the beginning of World War II, executives in the War Production Board were not permitted to have any official relationship with their own industries. Inefficiency was rampant. The U.S. appeared to be losing the war. Then the rules were changed, and men were given responsibilities related to their prior experience. Thereafter, war production went very well, and our forces were supplied with the material required for victory.

Our Government must have men and women of outstanding ability, and I am sure they will be found overwhelmingly to be honorable and patriotic.

Joseph L. Block
Chicago

Block, chairman of the Inland Steel Co. from 1959 to 1967, was a member of the War Production Board's steel division.

Good Government?

Hugh Sidey's statement [Feb. 2] that Government is "the heart that nourishes and protects the body" of liberty "by both its actions and its self-restraints" is contrary to the principle upon which our nation was founded.

Liberty has never come from any Government. Liberty comes from the limitation of the power of Government, whose very nature is force, threatened or applied. Unfortunately, Government is necessary to protect citizens from other nations and from one another, but allowing it to do more threatens our freedom.

Joel Brown
Chariton, Iowa

Computers and Crime

In your story "Superzapping in Computerland" [Jan. 12], Donn Parker, a scholar in electronic theft, says that "by the end of the 1980s, computer crime could cause economic chaos." That is an understatement, not an exaggeration.

I am currently serving a state and federal sentence for "accessing" systems. I can guarantee you that complex cryptographic devices will never safeguard computers for long. The very nature of computerization is quick and easy access. That's why computers were developed and have enjoyed such tremendous growth. People don't take computer thieves seriously. I would not be surprised

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M51968

Letters

if the underage "compulopers" that you described in your story have already received job offers from IBM. I have a thick file of my own offers, which started coming in immediately after my crime was publicized and have continued unabated through 1½ years of imprisonment.

Daniel Moody, A90266
Pontiac Correctional Center, Ill.

The incidence of computer-related crime involving theft or fraud of large sums of money is insignificant when compared with all other white-collar crime. Between the invention of the computer and 1975, there were 381 known incidents of computer abuse reported worldwide, and of these cases only 77 were verified. After all, the computer is an ignorant machine—an unwitting instrument of a criminal.

Vico E. Henriques, President
Computer and Business Equipment Manufacturers Association
Washington, D.C.

Genes and Behavior

It is unfortunate that TIME chose to intimate [Jan. 26] that our forthcoming book, *Genes, Mind and Culture*, which is primarily a technical monograph, might somehow justify eugenics and racism, even indirectly. To suggest that unpleasant forms of human behavior such as racism have a partial genetic basis is not to recommend them. Quite the contrary. By analyzing the biological basis for this conduct, we can provide better procedures for avoiding destructive behavior, in the same way that we can circumvent diabetes and hereditary enzyme deficiencies.

Charles Lumsden
Edward O. Wilson
Cambridge, Mass.

Sharing the Light

Richard Corliss's laudatory review of *Let There Be Light* [Jan. 19] is gratifying, but I wish to correct his ascribing sole writing credit to John Huston. In accordance with Army records, credit should read "Written by Charles Kaufman and John Huston." Our twelve weeks of filming at Mason Hospital was a rewarding experience, and whatever the value of my share, tribute must be paid not only to Huston for his uncompromising adherence to truth, but to those anonymous G.I.s who shared with us and the camera the pain of their shattered psyches, their hopes and their joy in the prospect of regaining a normal life.

Charles Kaufman
Los Angeles

Strategic Seating

T.E. Kalem's review of *Macbeth* [Feb. 2] states that the guests at the feast are seated at one side of a long table resem-

Help a national monument get off the ground

It wasn't so easy for the Statue of Liberty, either. When the French gave The Lady to us, we revered her, even gave her her own little island. But she had nothing to stand on. So Americans reached into their consciences and contributed for a pedestal, where she could stand to welcome the world.

Now we have the Great American Flag. All 2 acres and 7 tons of it. But we need money for its permanent site on the Verrazano-Narrows Bridge, above the gateway to America.

Even in these inflated times we spend money mindlessly, idly. Why not spend some mindfully and see it pay off at the entrance to America? Give what you can. Please

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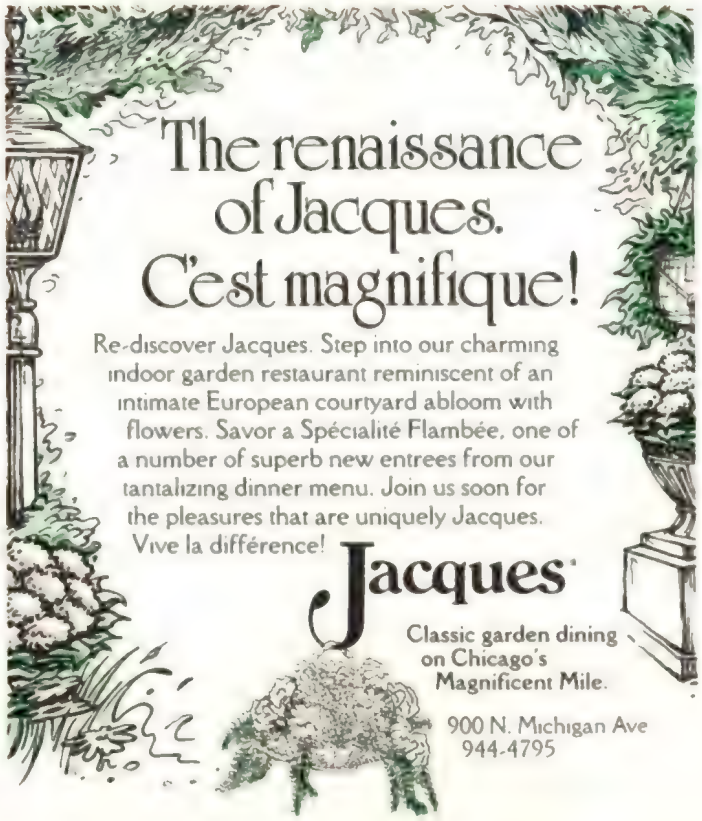

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Letters

bling Da Vinci's *The Last Supper*, "thus carrying resonances of sacrilege." Actually it carries resonances of historical accuracy. In early times it was customary for all diners to be seated on one side of the table with their backs to the wall, the better to leap into battle should the hall be invaded by enemies.

Miranda A. Mannia
Bear, Del.

Acts of Mercy, Not Politics

There have been statements in the press that the nuns who were killed in El Salvador were not just nuns but were also political activists. I spent two weeks with Sister Dorothy Kazel, who was a personal friend, and Sister Jean Donovan in El Salvador. Naturally, we discussed conditions in that country, and I assure you that Dorothy and Jean had nothing to do with the Frente or any other leftist organization. They told me that they were forever reminding several young men of the parish who they knew were involved in political groups that violence and bloodshed are not the Christian response to injustice and oppression.

I know that all four of the murdered nuns were performing works of mercy for poor refugees: feeding, clothing, finding shelters and medical supplies for them; in short, trying to provide some modicum of decency of life in a situation of turmoil, inhumanity and fear. Is this political activity? Is it political to take the Gospel seriously and try to live by its values?

Sister Sheila Marie Tobbe
Cleveland Heights, Ohio

Non-Drivers Unite!

My husband and I enjoyed your article on people who do not drive [Jan. 26]. Until three years ago, we were typical suburbanites wedded to our cars. But in the fall of 1977 we began walking or taking the bus almost everywhere. I estimate that we must walk between 35 and 40 miles a week. This has improved our health, introduced us to our neighbors (who often offer us rides), and freed us from feelings of guilt and fury over the energy situation

Betsy Kaido
Albany

As a non-driver, I can truly sympathize with Art Buchwald's problems in trying to cash a check. Without a driver's license, I was unable to purchase a bottle of Burgundy at the grocery store. They did not think I was of drinking age. I guess what they were saying was that I needed a license to drink.

Julie Gottlieb
Cincinnati

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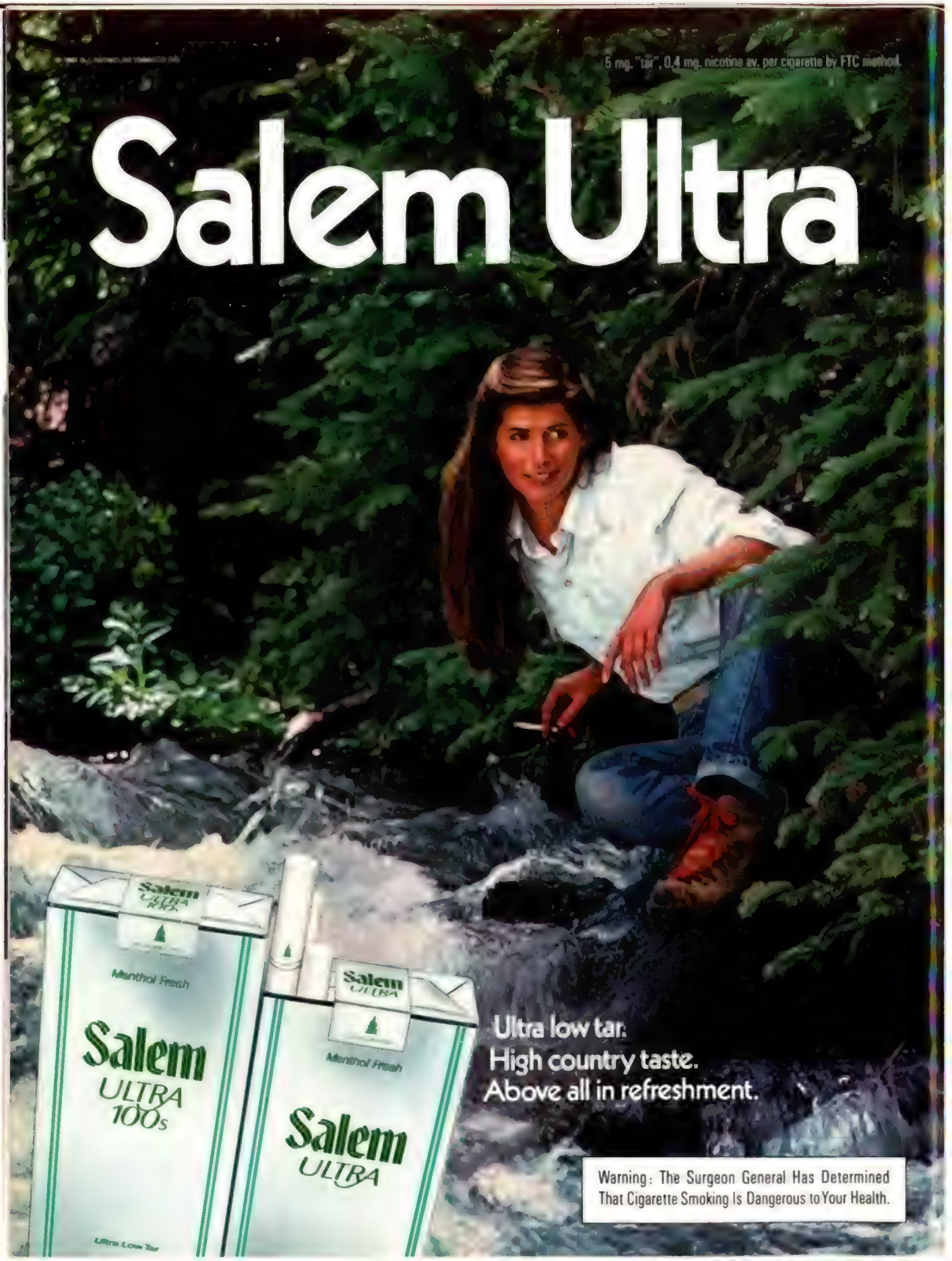
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The fact is, System 12 is the first generation of exchanges designed to the specifications of Network 2000.™

Which is our conception of the information delivery network that the whole world will have tomorrow.

And any country that's planning for tomorrow must consider System 12.

Just as Mexico did.

The best ideas are the ideas that help people. ITT

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TIME/FEBRUARY 23, 1981

The Unkindest Cuts of All

Reagan gets down to the nitty-gritty on slashing Government spending

"I can assure you, by morning I'll be hung in effigy. The screams will be heard from border to border and coast to coast."

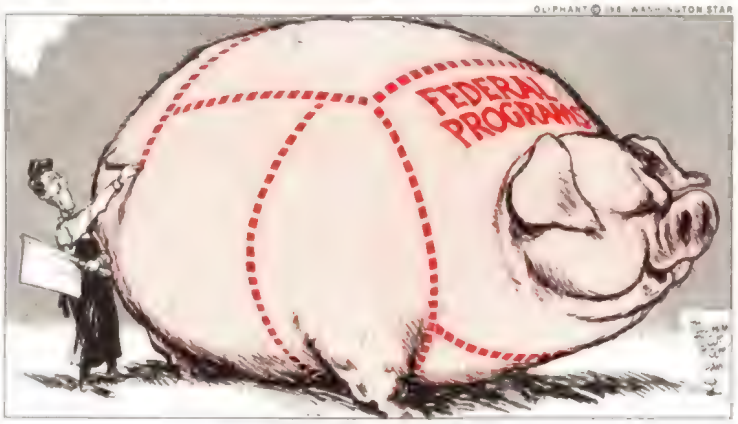
This was Ronald Reagan's forecast of the reaction he will get to the economic program that he will unveil to a joint session of Congress and a national TV audience on Wednesday night. The President will announce sharp slashes in federal spending, as much as $50 billion in the next fiscal year, and deep reductions in taxes. He anticipated angry howls, but also the backing of a majority of Americans, who seem to agree that the Government must stop its spending spree. Said liberal Republican Senator John Chafee of Rhode Island: "We've run out of alternatives."

Thus, as Reagan made his prediction last week to 40 state legislators and county executives at the White House, there was a note of eager anticipation in his voice, for his overly gloomy forecast was part of a skillful campaign to convince Americans that the spending cuts are both necessary and equitable, that they will spare almost no one who has been sharing in the largesse of a profligate Government.

Reagan's campaign seemed to be succeeding. Far from proposing to hang the President in effigy, the state and county leaders left the White House expressing general support. In addition, seven labor chiefs, 18 Governors and 20 Hispanic leaders, who came to Washington at Reagan's invitation to hear his preliminary sales pitch, also held their fire. Said Georgia's Democratic Governor, George Busbee: "We all agree that the economy is in a mess. The President had to act immediately."

One reason for the lack of opposition, as was learned by the many Congressmen and Senators who spent the Lincoln's Birthday recess with their constituents, is that the home folk share Reagan's belief that the Government cannot keep piling up deficits. Democratic Senator David Pryor warned constituents in Arkansas to expect severe cuts in the budget for the Farmers Home Administration, which extends credit to rural people who have trouble borrowing elsewhere. Their answer, according to Pryor: "Inflation is our worst enemy. If that's what it takes, we'll support it even if it hurts."

But, as Reagan well knows, the calm could prove deceptive, and his prediction of the response to his plans may not be so very wrong. His program, reversing a trend toward ever larger Government that has been gathering momentum for almost 50 years, represents a high-risk gamble. And while much of the nation seems ready to take the chance that less spending and lower taxes will pay off in slower inflation and more economic growth, Americans are waiting anxiously for the program that he will spell out this week.



"Haw! That tickles!"

The details of the program prompted some wrangling within the Administration last week. On the tax side, the President decided to propose initially a single bill providing more generous depreciation allowances for business, and the so-called Kemp-Roth cuts of 10% in individual income-tax rates for each of the next three years. The Administration will ask that the depreciation changes be made retroactive to Jan. 1, but probably will propose that the start of the income-tax cuts be delayed to July 1. That would muffle their effect on the federal deficit for fiscal 1981, which ends Sept. 30; the deficit is now estimated to be at least a highly inflationary $60 billion, with no tax reduction at all.

The President and his aides want other tax changes, too. Among them: cutting the top tax rate on interest and dividend income to 50%, from the present 70%; reducing the "marriage penalty," a provision in the tax laws that now forces many couples in which both husband and wife work to pay a higher tax on their combined earnings than they would if they were single and filing separately. David Stockman, Director of the Office of Management and Budget, had urged that these changes be wrapped into the first tax bill. The President instead decided to propose at first a "simple and clean" depreciation and income-tax bill that Congress just might be persuaded to pass swiftly. He will present other tax changes later. By doing so, Reagan is running a conscious risk that Congress will be tempted to festoon the first bill with all kinds of amendments embodying legislators' pet tax ideas.

The Administration seemed more unified on budget cuts. Stockman reported that the Cabinet had agreed on 90% of the reductions to be recommended to Reagan, and that the President had quickly begun approving them. At one session he fingered a jelly bean, joked: "They tell me the purple ones are poison," then nonchalantly popped it into his mouth—as if to symbolize that he was slashing spending with equal nerve and verve.

For all the bravado, the big news last week was what Reagan would not cut. He announced that seven programs, promptly dubbed "the seven sacred cows," would be spared from the budget ax. The lucky seven: Social Security pensions; Veterans Administration disability benefits, even those for non-service-connected ailments; Medicare payments for the elderly; Supplemental Security Income for the elderly, blind or disabled poor; free school breakfasts and lunches for poor children; Operation Head Start, which prepares disadvantaged youngsters for school; the summer jobs program for poor youths.

The avowed purpose of issuing the don't-hit list was to redeem Reagan's pledge that his spending cuts would not hurt the "truly needy." But many veter-

ans and Social Security pensioners scarcely meet the stern definition of truly needy people offered by OMB Associate Director Donald Moran: "People who in the absence of Government benefits could not survive."

Moreover, Social Security and veterans' benefits are prime contributions to one aspect of the inflationary cycle. The payments are regularly increased to compensate for inflation, and the higher benefits then swell the federal deficits that spur still more inflation. The real reason for the exemptions appeared to be to reassure millions of politically powerful members of the middle class—as well as some of the genuinely needy—that their benefits will not be cut, and thus prevent them from adding their voices to the chorus of complaints about the reductions that Reagan will propose

That chorus will be loud Reagan is still pushing for cuts in an astonishingly broad range of spending programs, including some highly popular ones. For example, while keeping hands off free school lunches for poor students, his aides are considering asking Congress to abolish federal subsidies for inexpensive meals served to children from less-needy families. Moreover, Administration officials say, on some occasions when the President has objected to a budget-cutting idea proposed by his aides, he has demanded that they shoot for deeper reductions than they first planned

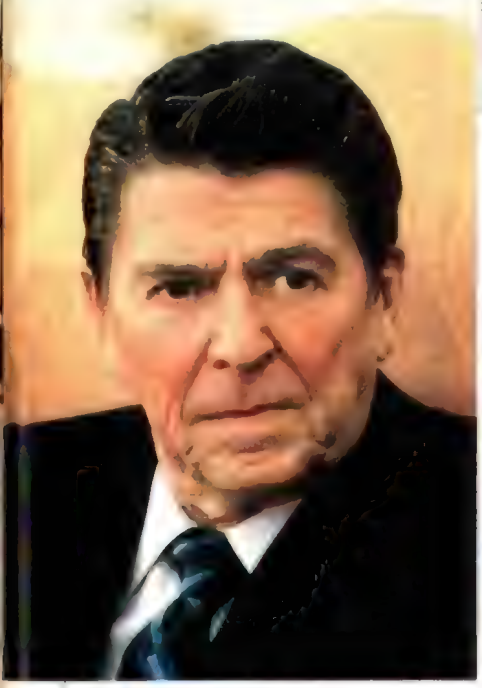
One of Reagan's concerns is to convince Congress and the nation that the disadvantaged will not suffer disproportionately from the spending cuts. Despite the exemption of the sacred-cow programs, some of the deepest reductions the Administration is considering—in food stamps, Medicaid and unemployment compensation, for example—will affect low-income people.

Administration officials promise there will be many reductions in Government services that benefit the middle and upper classes and business. Some samples: a higher tax on airline tickets, forcing passengers to pay for many airport services now funded by Washington; fees on yacht owners to pay for channel maintenance now financed by the Coast Guard; cuts in agricultural subsidies that the Administration believes help corporate more than family farmers.

In addition, Reagan last week resolved one of the few serious disputes among his subordinates with a decision displeasing to Big Business. Special Trade Representative William Brock and Commerce Secretary Malcolm Baldrige strongly opposed any cuts in loans made by the Export-Import Bank to American corporations to facilitate export sales. They contended that the nation needs more exports to reduce its trade deficit. "The President was sympathetic to the balance-of-trade argument," reported one aide. Even so, in the name of requiring sacrifice from business, Reagan approved a proposal by Stockman to slash Ex-Im Bank's lending 20%, or $2 billion, in the next fiscal year.

The very effort to spread the budget cuts across a broad spectrum of society all but ensures that the Reagan program will be attacked by the widest possible range of interest groups, including many now voicing pious support for the general idea of less spending. Already last week, Democratic House leaders, while advising their followers to go along with Reagan's proposal as far as they can, signed a letter warning Reagan to keep his hands off subsidies for development of synthetic fuels, which Stockman suggested chopping by $6 billion in the next fiscal year. Nor were Democrats alone in opposing specific cuts. Republican Governor John Dalton of Virginia objected to a proposal to reduce federal aid for construction of the 101-mile Washington, D.C., subway system, which benefits many commuters from his state.

Administration strategists are keenly aware that if every committee in Congress is asked to approve reductions in its pet programs, the budget-cutting drive may bog down in a hopeless tangle. Said Democratic Congressman David Obey of Wisconsin: "The way this town works, a lot of the turkeys will be salvaged and useful programs will be gutted." Accordingly, Reagan's legislative aides tentatively decided last week to wrap almost all of the program into four superbills. They are the tax bill; a "recision" bill ordering reductions of $13 billion in spending for the remainder of fiscal 1981, which ends Sept. 30; an "entitlements" bill that would enable the Government to reduce spending on certain programs, such as food stamps and Medicaid, under which benefits are now guaranteed by law; and a "reconciliation" bill. This last would set a limit on fiscal 1982 nonmilitary spending, about $50 billion below the $544 billion proposed by Jimmy Carter; the defense portion of the budget Reagan may increase by $24 billion, to $220 billion. The rec-



The President pondering slashes

A White House budget session: Interior Secretary James Watt, Reagan and OMB's Stockman

A Taxing Dilemma for the States

When Lee Dreyfus ran for Governor of Wisconsin in 1978, he pledged that if elected he would return the state's growing budget surplus to the taxpayers. The maverick Republican won handily, and promptly signed into law a $976 million tax relief program. "When you recover stolen property," boasted Dreyfus, "it ought to be handed back." Today the surplus is gone. To keep Wisconsin from going into the red in the next fiscal year, the tax-cutting Governor says he must raise the state's gasoline tax by 53% and scrap programs ranging from new highway construction to Milwaukee's student bus service.

The Dreyfus dilemma is shared by many of his fellow Governors, especially in states that have adopted strong tax limitation measures. After the 1978 passage of California's Proposition 13, which slashed property levies by 57%, tax-cut fever spread across the nation like an exotic strain of flu. Yet state officials, who only a year or two ago were burning with the fever, now find themselves trying to balance their budgets, keep from raising taxes, and avoid cutting back on services —all at the same time. Even where there have not been moves to limit taxes, the Reagan Administration's plans to cut the federal budget will shift all sorts of unexpected spending burdens to the states. Indeed, the early 1980s are shaping up as a difficult time to be a Governor.

Today's fiscal pinch seems tightest in the Midwest, where the tax-cut movement has been especially fierce. After winning office in 1978, Minnesota Governor Al Quie approved a $792 million tax relief program. In his budget message last month, however, Quie projected that expenditures for 1981 to 1983 will exceed revenues by $1.37 billion. He now must find ways to trim the budget accordingly. In Iowa, Republican Governor Robert Ray successfully pushed for a $50 million tax cut in 1979. For the current fiscal year, he has had to pare his budget three times for a total savings of $75 million. The state could still end up $22 million in the red. To make ends meet, Ray is pressing for higher cigarette and gasoline levies as well as a new 3% sales tax on out-of-state telephone calls.

Sign of the times at a Boston park

In New Hampshire, where taxes are among the nation's lowest, Governor Hugh Gallen wants to slice the state employment rolls by 10% in order to help erase the state's $25 million deficit. Michigan officials were forced to borrow $500 million last month to meet the state's bills, and North Carolina Governor James Hunt is proposing eliminating 1,000 state jobs.

Perhaps no state is in as much financial trouble as Massachusetts, where voters approved a property tax limitation program called Proposition 2½ last November. As a result, the state's 351 cities and towns stand to lose an estimated $600 million in local revenues. Boston, in particular, is suffering. Mayor Kevin White has already proposed a preliminary 1982 budget that is $74 million leaner than the current one of $369 million. White is calling for cuts of 25% in police and fire services and layoffs of 1,600 workers. Yet some experts contend that city officials will have to slash at least $118 million from next year's budget and lay off up to 5,000 municipal employees in order to offset the effects of Proposition 2½. Says one local financial analyst: "If God came down to Boston, I just don't believe he would be able to trim that amount from the city budget."

Elsewhere in Massachusetts, local officials are scraping for every dollar. In Blackstone, town fathers are considering wiping out weekly trash pickups. In Framingham, officials are planning to close one of the ten elementary schools and, in an effort to reduce the fleet of school buses, they may ask students to stand while riding to school. In Foxboro, the police department even considered destroying its dog Butch, to help cope with budget cuts imposed by Proposition 2½. After a public outcry, Butch was spared.

A few states are making money faster than they can spend it. Texas expects to be at least $500 million in the black by 1983, and Louisiana anticipates a $1 billion surplus by then. Yet even well-to-do states may feel squeezed as Reagan begins to reduce federal spending on social programs. For states already suffering, Reagan's slashes will inflict only more pain.

onciliation bill would require approval by only three or four committees; if it passes, the many other committees that later vote money for specific programs would be required to stay under the overall ceilings. Whether congressional leaders will buy this approach is extremely doubtful.

Even before the battle was joined, the President began thinking ahead to further economic moves. He named an advisory board of twelve prominent non-Government economists, headed by former Treasury Secretary George Shultz, that will meet with him every three or four months to take stock of how the struggle against inflation and unemployment is going. In talks to Governors, state legislators and county executives, Reagan began urging a futuristic program to transfer all administration and funding of entire categories of Government programs, such as education and welfare, from Washington to states and localities—an idea that would involve a revolutionary shift in domestic political power.

All these plans, however, must await the outcome of the tax and budget program, which for the moment is quite revolutionary enough. Reagan is proposing the deepest cuts in expenditures ever sought by a President. He is asking the nation to take a bold gamble that major tax cuts will spur savings, investment and noninflationary growth, rather than merely cause deficits to rise and create still more inflation (*see* ECONOMY & BUSINESS). In selling this economic adventure to the nation, he will need all his proven skill as an orator. His ability may never be more tested than it will be on Wednesday night. *—By George J. Church. Reported by Douglas Brew and Neil MacNeil/ Washington*

Hiring Line

Only white males need apply

Almost unnoticed, as Reagan geared up for the budget battle, was his failure so far to make good on a campaign promise that women and minorities would get a fair share of the policymaking jobs in his Administration. As of last Friday, 130 of the positions had been filled, one-third of the total, but only two of them by blacks, one being the personnel officer who is supposed to recruit nonwhites for high-level Administration jobs. In addition, only 15 of the posts went to women. Complained Iris Mitgang, chairman of the National Women's Political Caucus: "It's outrageous." Her group compiled a list of 150 "highly qualified" Republican women for consideration for jobs in the Administration. "All were ignored," she said. Blacks generally have withheld their criticism, awaiting the final appointments, which are expected this month. But Althea Simmons, head of the N.A.A.C.P.'s Washington office, is not optimistic. Said she: "I sense that the end result is not going to be pleasing." ■

With the sun streaming in through his Oval Office windows, Reagan starts the day by signing papers for Secretary Helene von Damm

A Day in the Life of the New President

An intimate look behind White House doors at the emerging Reagan style

The amiable visage and quick humor that Ronald Reagan displays in public indicate a President unchanged by his first weeks of residence at 1600 Pennsylvania Avenue. For a closer look, TIME *White House Correspondent Laurence I. Barrett spent most of Lincoln's Birthday at Reagan's elbow, an exclusive vantage point that enabled him to watch the President at staff conferences, meetings with dignitaries, and ceremonial events. Eleven crowded hours revealed important differences between Reagan the candidate and Reagan the incumbent. Barrett's report:*

It is 8:45 a.m. in the Hall of First Ladies on the ground level of the White House, and Reagan seems aware that he is exactly five minutes behind schedule. He leaves the elevator that has brought him from breakfast with his wife in the family quarters, bids a smiling "Hi, hi" to Secret Service agents and strides so quickly down the red carpet that the entourage must scurry to keep up. Reagan is not a morning person. He wakens at an unpresidential 7:30 or 7:45 (*vs.* 6 a.m. for Jimmy Carter). Today's 8 o'clock call from the White House switchboard found the Reagans already risen from their king-size bed.

He crosses the Rose Garden colonnade to the Oval Office, where he greets his personal secretary, Helene von Damm, with a boast. "Look what I did last night," he says, handing her a plump folder of papers read and signed. Also awaiting him, as they do each morning, are two of his top aides, Edwin Meese and James Baker. "The only reason I'm late," says the leader of the free world, "is that I had to oil my face." Though his Secret Service code name is Rawhide, the Southern Californian is finding it difficult to adjust to central heating. It leaves his skin too dry.

Reagan takes his black leather swivel chair, while Meese and Baker perch on either side of the massive oak desk. The third member of the staff troika, Michael Deaver, joins them. The three advisers have already had their own breakfast meeting and participated in a larger gathering of two dozen staffers, refining plans for the day and the near future. Now Reagan and the trio talk in clipped sentences as they exchange papers. Reagan asks Meese about a pending investigation. "Don't we have to goose them a bit?" Reagan inquires. "Gee, it's been going on for two years."

As Governor and as candidate, Reagan had a reputation for disdain of detail. During the transition period, his "detachment" became a byword on both coasts. Now, preoccupied with the major speech on fiscal policy he will give in a few days, he raises a question about simplifying a point in his proposed tax-reduction plans. "I'm just thinking about the guy doing his return," Reagan explains. Meese says that the new tax rate tables will deal with the problem. Something else is rankling Reagan. His instinct is to cut the capital gains levy sooner rather than later. Says he: "This concern is doing us out of something far more stimulating [to the economy]."

Going over the day's drill, Reagan is also resigned to a packed agenda. He will not have time to change for dinner that night at the vice presidential mansion. Glancing down at the new dark blue suit he is wearing, he says, "I looked at the schedule. I'm already dressed."

At 9:15 George Bush and his chief aide, Admiral Daniel Murphy, arrive at the Oval Office to listen to the daily briefing by National Security Adviser Richard Allen. Reagan moves from the desk to a peach-colored wing-back chair in front of a crackling hearth. Allen sits in a matching chair while the others occupy two sofas separated by a coffee table and a bouquet of freshly cut daisies, carnations and snapdragons. Allen starts with Poland. As the civilians who lack security clearances file out of the room, Reagan asks about the political leanings of Warsaw's new premier, Wojciech Jaruzelski.

Twenty minutes later, Allen is replaced by Press Secretary James Brady

Previewing the day's pressing business with Top Aides Meese, Deaver (standing) and Baker

"Don't we have to goose them a bit? Gee, it's been going on for two years."

Photographs for TIME by David Hume Kennerly

and Max Friedersdorf, chief of congressional liaison. Brady wants Reagan to drop into the press room later that day to help publicize the release of an Administration "audit" of the state of the economy. Reagan readily agrees. Friedersdorf tells Reagan that Congress will again postpone the proposed pay increase for senior Government officials. "That's too bad," Reagan remarks. "I guess it has to be, under the circumstances."

Strangely, considering the pressure of the clock, the conversation bogs down in minutiae: the choice of a chamber in which to hold a congressional briefing on the grain embargo issue, and the distribution of seats in Nancy Reagan's box when the President addresses Congress Wednesday night. The staff has already chosen the wives of several important congressional leaders. Reagan adds: "You know somebody else who ought to be in there? Paul Laxalt's wife."

At 10:07, after a recess of just ten minutes, Reagan takes a seat in the Cabinet Room for what has been the daily "budget working group" session for the past three weeks. In these meetings, Budget Director David Stockman and heads of Cabinet departments have been going over spending cuts, agency by agency and sometimes project by project. Reagan begins the session on a light note. After some research, the President tells Treasury Secretary Donald Regan, he has discovered a class distinction in the way their similar Irish names are pronounced. The President says of his subordinate's ancestors: "Those who called themselves 'Reegan' were the lawyers and doctors. It was only the laborers and the farmers who called themselves 'Raygan.' " As the group laughs, Reagan scoops a handful of jelly beans from a glass vase and puts them on the table before him. He will eat them, one at a time, as the discussion goes on. He also doodles on a White House memo pad; his genre is comic-strip caricature, vintage 1935.

Despite this manual activity, Reagan pays close attention as Stockman, sitting beside him, leads the group through summaries of proposed reductions. The Budget Director critiques, harshly, the spending habits of the Export-Import Bank and lays out his proposal. "Anyone have any comment?" Reagan asks. There is virtually no dissent as a large reduction is agreed on.

The Energy Department is next. Stockman wants to end Government subsidy of the synfuels program for a saving next year of $864 million. Energy Secretary James Edwards makes a *pro forma* pitch to save one experimental project—a coal liquefaction plant to be built in West Virginia—but Reagan appears unmoved.

After that, the group breezes through a proposed $125 million reduction in Edwards' administrative overhead. Again Reagan asks for comment, hears none, and says happily: "Good! All right. Turn

Above, with Richard Allen at daily briefing; below, a "photo opportunity" with Italy's Colombo

At lunch with Hispanic Leader Hector Barreto; at play with "Fred" before dinner at Bushes'

the page quick." Stockman does not score a clean sweep, however. The Budget Director proposes a steep reduction in subsidies for the maritime industry. Reagan demurs. He later explains: "No maritime nation can look to the future and envision a national emergency in which we could no longer depend on foreign bottoms to carry our cargo." Officially the question is still being studied. In fact, Stockman has lost this round.

After the appearance in the White House press room that he had promised Jim Brady, Reagan climbs into the black Lincoln Continental limousine for a ride to the Lincoln Memorial, where he pays homage to the first Republican President. Despite a brilliant winter sun, the frigid wind is piercing. Presentation of wreaths keeps the President—hatless, dressed in a lightweight black topcoat—standing in the cold for nearly 15 minutes, and he is almost shaking by the time he speaks briefly about the President "whose grace, compassion and earnest commitment is remembered in countless biographies, folk tales and poetry."

Lunch at 1 p.m. in the White House second-floor dining room is a wooing session with representatives of 20 Hispanic organizations. As usual, Reagan dines with gusto: a rich shellfish soup, filet mignon, artichoke salad, California red wine and fruit compote. He assures his guests that five Hispanic appointments to the sub-Cabinet are "in the pipeline." By 2:15 p.m. he is back at his desk, making phone calls and signing papers.

He opens the red folder reserved for classified material and frowns over one document. His lips tighten, he shakes his head, lets out an audible "Hmmm" and replaces the paper. In Sacramento, Reagan relied heavily on one-page "minimemos" prepared by his staff. Now the memorandums are longer, and they conclude with a space for Reagan to indicate one of four options: approve, approve as amended, reject, no action. Some of the memos are thoroughly routine. On this Lincoln's Birthday Reagan promotes nine military general officers and approves a presidential proclamation on agriculture.

A light blinks on Reagan's white call director, the only phone he has in the Oval Office; his call to Dr. Edward N. Brandt Jr. in Austin has gone through. Says Reagan: "I'm calling to ask if you can serve your country as Assistant Secretary of HHS for health." The conversation is a formality; the appointee has already been primed. A few minutes later, near Helene von Damm's desk in the anteroom, Personnel Director Pendleton James is wondering aloud why Reagan did not immediately make one other similar call. Von Damm says that the President found something wrong in the paperwork for the appointment. James and an assistant puzzle over the document for a few moments and then realize that Reagan had spotted an error: an appointee had been listed for the wrong job.

Reagan, meanwhile, receives the Italian Foreign Minister, Emilio Colombo. It is a courtesy call; Colombo has already talked business with Richard Allen and Secretary of State Alexander Haig. As Reagan and Colombo make small talk, there is a "photo opportunity": a herd of photographers and TV crews bursts into the room, cameras blazing, and leaves a few moments later.

For the first time in the day, Reagan seems ill at ease. Speaking with Colombo requires using interpreters, something Reagan has rarely done. Colombo delivers an ornate statement about the robust history of Italian-American relations. Reagan pauses, uncertain whether to address Colombo or one of the two translators, and starts his reply: "Well, I appreciate that very much. The feeling is mutual."

At 4:30 Pendleton James is occupying the other easy chair by the fire, and the subject is personnel. Jim Cavanaugh, who has been assisting James temporarily, is returning to his home in California. Since coming to Washington, Reagan has been complaining about the cold and joking about defecting. "Wait until I get my hat," he tells Cavanaugh. "I'll go with you."

Doodles from the presidential memo pad

Reagan's expression turns serious when James starts to talk about a review of the 255 presidential boards and commissions, a number of which are clearly boondoggles. James cites what seems to be a particularly bad case: a new body to study the conditions of native Hawaiians. The nine members were appointed on Jimmy Carter's last morning in office and are scheduled to go to Hawaii next month for a fee of $100 a day plus expenses. James wants the members fired and the excursion canceled while a broader examination of all 255 outfits goes ahead. George Bush speaks up, suggesting that Hawaii Senator Daniel Inouye may have an interest in the new commission. If he does, Bush says, "somebody should hold his hand because he can be very helpful."

Discussion turns to another advisory body, this one on ambassadorial appointments. It contains only one committeed Republican, former Pennsylvania Governor William Scranton, and was created by Carter, not Congress. "You can tell from that list it is pure gut Democratic politics," says Bush. "Right!" says Reagan. One down, 254 to go.

A little after 5, Reagan thinks about getting his weekly haircut from Barber Milton Pitts. He starts in that direction, then changes his mind and returns to the Oval Office for his daily wind-up session with Deaver, Meese and Baker, each of whom he has seen on and off throughout the day. This meeting is a quick one; the staffers stand around the desk.

Historically Reagan has never been a demanding boss. Yet the White House is changing his metabolism and his expectations. He does not pretend to keep the pace maintained by Carter or other recent predecessors, but he is chugging along steadily. To the trio in the Oval Office this evening, he ticks off requests —particularly his desire to get the first draft and back-up material for his Feb. 18 economics speech as soon as possible. He recalls a couple of budget issues he wants another look at. He asks about the task force on the hostage deal, which is due to issue its report soon. Finally he brings up something still troubling him: the Hawaiian junket. "Somebody has to take a look at that commission," he reminds Baker.

Then, sitting near the dying fire, Reagan reflects on his first 23 days in power. Despite his fluent public performances, he had seemed initially uneasy with the routine—complaining to one interviewer, for instance, that he did not know when he was supposed to think. Now, he says, that feeling has passed. "It's very funny how quickly you settle in and your habits are formed, living habits and all the rest," he muses. "It's strange, but it has happened."

He does not have a moment for pleasure reading, the family quarters need a paint job, he dreads the "hue and cry" that he knows will greet his budget cuts, and he finds himself wrestling with "problems where there is so much right on both sides." Still, he insists, the business of decision making in the White House is not all that different from what he experienced in Sacramento.

So is his ability to relax. At 7 he and Nancy head for dinner at the Vice President's mansion off Massachusetts Avenue. The evening, which will end at about 9:30, is quiet, informal and closed to anyone but Reagans and Bushes. But before the President says good night to his journalistic visitor, he picks up a red sponge ball and amuses Bush's aging cocker spaniel, Fred. One of the Reagans' own dogs will soon make the trip east—a touch intended to help the new President continue his rapid progress toward feeling fully at home in the White House. ■

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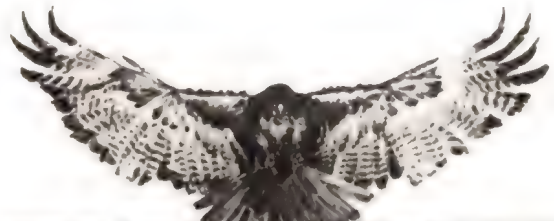


BUICK

WOULDN'T YOU REALLY RATHER HAVE A BUICK?

Haig's Commanding Start

He takes charge firmly and talks tough

Meeting at the State Department last week, Secretary Alexander Haig and Defense Secretary Caspar Weinberger agreed to get together regularly to discuss foreign affairs. Conspicuously not invited to the planned sessions: Richard Allen, the President's National Security Adviser. Indeed, Allen has been maintaining such a low profile—as he promised before taking the job—and has been so slow in filling top-level posts in his office that other agencies concerned with overseas affairs are apprehensive. Says an adviser: "They are afraid that Allen will let Al Haig run away with the whole show."

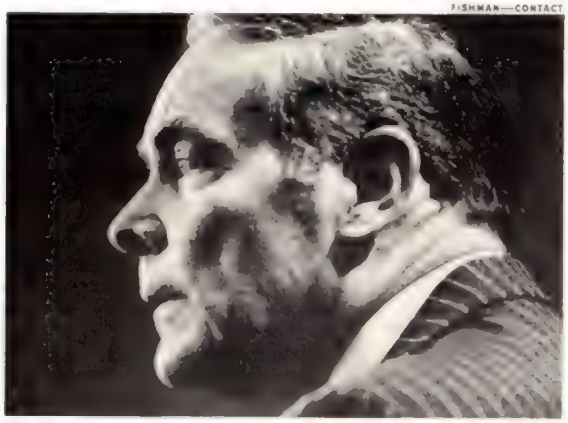
Haig began threatening to do so on Inauguration Day. He handed Presidential Counsellor Edwin Meese a proposal to consolidate the making of foreign policy within the State Department; the National Security Council staff and other agencies would play distinctly secondary roles. The plan was too ambitious even for Reagan, who had promised to make Haig the chief formulator of foreign policy. Meese set to work on an amended version that gives some protection to other agencies.

But Reagan never gave Haig a firm no, and, like any bold technocrat, the Secretary interpreted this as a green light to begin putting his ideas into action. He arrived at State with half a dozen or so trusted associates, who helped him quickly assemble a crew of experienced assistants and deputies. "My nominees," he has pointedly called them, despite White House aides' reminders that they were really presidential appointments.

Haig has come on strong not only with actions but with the positions he has taken. At his first press conference as Secretary of State, he shocked many foreign policy experts by bluntly accusing the Soviet Union of "training, funding and equipping" international terrorists. What evidence did Haig have for his charge? Haig admitted in an interview with the *New Republic* that "one of the problems we have faced in this field is the lack of first-rate intelligence."

The next day, State Department Spokesman William Dyess said that besides directly arming and training elements of the Palestine Liberation Organization, for which experts say there is abundant evidence, the Soviets have indirectly helped terrorist organizations through surrogates such as Libya and Cuba. But Dyess said Haig actually was using the word terrorism rather loosely to include Soviet support of "national liberation movements" and propaganda advocating "armed struggle," as in El Salvador and Namibia. All of this can be broadly defined as terrorism, Dyess claimed, because it "creates a climate in which terrorism flourishes." Despite Dyess's attempt to soften Haig's accusation, it set off a sharp debate. Said Georgetown University Professor Walter Laqueur, an expert on terrorism: "I sympathize with Haig's sentiments, but I regret the lack of precision in his words. It is very difficult to know what he means."

There seems to be no question that the terrorist groups of more than a decade ago, including the Popular Front for the Liberation of Palestine and the Black September movement, depended on the Soviet-allied countries of Syria, Iraq, Libya and South Yemen for training, money and arms. Some also trained in Czechoslovakia and even the Soviet Union. Other groups, such as the Japanese Red Army and Italy's Red Bri-



FISHMAN—CONTACT

The Secretary of State berates the Soviets at a press conference

Haigledygook and Secretaryspeak

Alexander Haig is conducting a terrorist campaign of his own—against the English language. His war of words with the Kremlin has turned into a war on words, presumably much to the consternation of Russian translators. Herewith a lexicon of Haigisms:

Careful caution. A repetitious redundancy but preferable to careless caution. Similar to his "longstanding in time."

Caveat. An Al-verb, a victim of the general's verbification program, to which resistance is *verboten* for even the most insolent little noun. As in: "I'll have to caveat my response, Senator."

Contexted. The past tense of Haig's verbicose veins. As in telling Senator John Glenn that his question cannot be answered "in the way you contexted it."

Epistemologicallywise. The only thing less clear than the meaning of this word is how many hyphens it should have.

Exacerbating restraint. A Pushmi-Pullyu, as in expressing the hope that the Soviets would do nothing "to exacerbate the kind of mutual restraint that both sides should pursue."

Menu. Used with careful caution as in: "In each instance the menu—and I use that term guardedly—of assets available to the West will vary."

Nuanced and **nuance-al.** As when the secretary of solecism talks of "nuanced and fundamentally sharp departures" and "nuance-al differences."

Posthostage-return attitude. An imploded word cluster that may be the result of reading too many NATO command manuals in German.

Saddle myself with a statistical fence. A techno-cowboy's metaphor that borders on the kinky.

The very act of definitizing an answer. A punishable act in most English-speaking countries.

This is not an experience I haven't been through before. Definitely not a non-Haigism.

Out of context these phrases make no sense; in context they make even less sense. Maybe, just maybe, the Haigledygook is deliberate. As the Secretary said at his press conference when asked to clarify a statement: "That was consciously ambiguous in the sense that any terrorist government or terrorist movement that is contemplating such actions I think knows clearly what we are speaking of." Well, perhaps *they* do.

gades, have more tenuous Soviet links.

The Soviets furiously deny aiding international terrorists, but boast proudly of supporting "national liberation movements," a distinction Haig does not make. Soviet and Cuban involvement in El Salvador, for example, has become increasingly evident in recent weeks. Documents captured by Salvadoran authorities describe a trip by guerrilla leaders to the Soviet Union, Viet Nam, Ethiopia and several Eastern European countries, during which they obtained commitments from Communist leaders for weapons and uniforms. According to U.S. intelligence officials, deliveries are handled by Cuba, often through Nicaragua. The Administration intends to make Soviet-bloc support of the guerrillas in El Salvador a major issue in East-West relations. A delegation of top State Department and CIA officials, led by Lawrence Eagleburger, Haig's choice as Assistant Secretary of State for Europe, will go to European capitals this week to demonstrate for NATO allies the need for greater U.S. military aid to the government of El Salvador. Another U.S. delegation will seek backing from friendly governments in Latin America.

Meanwhile, the Kremlin escalated its war of words with the U.S. by releasing the text of a letter from Foreign Minister Andrei Gromyko to Haig, accusing the U.S. of "open interference" in Poland and of making "distorted interpretations" of Soviet propaganda beamed at Iran. America's European allies are concerned that the Administration's verbal confrontation with Moscow will destabilize East-West relations. The West Germans, for example, fear that the U.S. will pressure them to cancel plans to buy Soviet natural gas in return for high-technology goods. In addition, U.S. allies in Europe would like an early resumption of salt negotiations, which seems unlikely.

The Security Adviser

Some U.S. foreign policy analysts fear that the Administration may be putting too high a priority on terrorism at the expense of dealing with Moscow's more worrisome invasion of Afghanistan and troop build-ups near Poland. There is also increasing concern among some experts that Haig is talking too tough, no matter how much the White House may agree with his sentiments. Last week the Secretary of State faced only one serious challenge to his clenched-teeth statements: he had to make an emergency visit to his dentist after damaging a tooth. *—By Walter Isaacson. Reported by Roberto Suro/Washington*

Paul Bloom: "It was perfectly legal."

Great Giveaway

A $4 million philanthropist

As a high-ranking employee of the Department of Energy during the Carter Administration, Paul Bloom, 41, zealously investigated violations of federal oil-pricing regulations—and forced guilty oil companies to ante up hefty fines. But as Reagan Administration officials discovered last week, Bloom may also have been an overzealous philanthropist. On Jan. 19, one day before he left office, he gave $4 million—none of it his own—to four charitable organizations.

The money came from a $100 million settlement that he had negotiated with the Amoco division of Standard Oil Co. of Indiana in February 1980 for allegedly overcharging customers. Under the agreement, Amoco placed $71 million into a special claims fund and was supposed to refund $29 million to utilities, railroads, bus lines and other major patrons. After reimbursing its clients, however, Amoco had $4 million left over, so the company sent a check for that amount to Bloom's office.

That gave Bloom an idea: Why not distribute this money to poor people? After consulting with department lawyers, Bloom decided to play Robin Hood. He gave $1 million each to the Salvation Army, the National Conference of Catholic Charities, the National Council of Churches and the Council of Jewish Federations, all of whom help needy, handicapped and elderly people to pay their fuel bills. Says Bloom: "I realized that certain consumers of heating oil, especially those without lawyers and lobbyists, would be frozen out. These are the people least able to compete in the claims process. It seemed like an exceedingly economical, non-red tape way to get the money to them."

The new Administration, however, takes a different view. When Secretary of Energy James Edwards discovered the donations, he promptly asked the four organizations to return the money. Edwards contends that Bloom did not obtain the permission of then Secretary of Energy Charles Duncan, and thus lacked the authority to make the gifts. Says Department Spokesman Phil Keif: "Secretary Edwards is not objecting to giving the money to low-income people. He just wants it returned so that a decision on how to disburse it can be made in the right way." Bloom admits that he did not seek Duncan's approval but maintains nonetheless that he acted properly. Says he: "This was not taxpayers' money but Amoco's money that had been given to me to control. It was perfectly legal and proper."

Leaders of the four charities met with Department of Energy lawyers last week and agreed only to stop spending the funds until they decide whether to return the money. But the Energy Department has decided not to seek the estimated $1.5 million already distributed by the charities or to prosecute Bloom. If the groups refuse to return the remaining funds, the Justice Department may sue them—or it may not. Admits an Energy Department official ruefully: "It's ticklish." ■

Son of Reagan

Michael is under investigation

"I don't believe they'd be doing this if my name was Jones." So complained a California businessman who, according to court documents disclosed last week, is being investigated by the Los Angeles County district attorney for allegedly selling stock in violation of state securities laws. The businessman is not Jones but Michael Reagan, 35-year-old son of the President, which guarantees that the probe will get extensive public attention.

A former world-class motorboat racer and boat salesman with a persuasive personality, Michael made more than 250 campaign speeches for his father. At the same time, he was setting up his own business, Agricultural Energy Resources, intending to sell gasohol manufacturing equipment to grain farmers. According to court records, Reagan is accused of selling stock in his business before it was incorporated and then using $17,500 of the investors' funds for personal expenses.

The President's son

Reagan's attorney, Donald Wager, maintained that only legal "technicalities" were at issue. Protested Michael: "I'm $10,000 to $12,000 in debt with attorneys' fees, and I haven't done anything wrong. I've lost my money, my business and 17 pounds. I'm a victim." ■

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Taking a gamble on Frank

When I was 65, it was a very good year.
It was a very good year for
President's pals and Capital show,
For birthday affairs and Las Vegas dough.
It was a very good year.

So Frank Sinatra might have crooned last week after asking the Nevada Gaming Control Board for a gaming license so that he can become a consultant to Caesar's Palace. He once had an operator's license but lost it in 1963 because of his reputed association with Chicago Mafia Don Sam ("Momo") Giancana.

Board Chairman Richard Bunker reminded Sinatra about his conversation that year with Edward Olsen, then chairman of the State Gaming Commission, which was recorded in a memo. "Listen, Ed," said Sinatra, when told that he was being investigated. "I haven't had to take this . . . from anybody in the country, and I'm not going to take it from you people." When Olsen warned that the singer might be subpoenaed to testify, Sinatra said: "You just try and find me. And if you do, you can look for a big, fat surprise." Was that a threat? Bunker asked last week. "Absurd," replied Sinatra

Sinatra has acknowledged acquaintanceships with several gangsters, including the late Lucky Luciano. But the singer denied having willingly posed backstage at the Westchester Premier Theater in Tarrytown, N.Y., in 1976 with several gangsters, including New York Mafia Boss Carlo Gambino. Explained Sinatra: "He came in and took a picture of me with the little girl [Gambino's granddaughter], and, before I knew what happened, eight or nine men were around me."

On his own behalf, Sinatra brought seven character witnesses, including Actors Kirk Douglas and Gregory Peck, but made no mention of another friend: President Ronald Reagan, for whom Sinatra helped raise some $500,000 in campaign donations and organized a pre-Inauguration gala. Reagan has said of Sinatra's reported gangland ties: "We've heard those things about Frank for years, and we just hope none of them are true." The control board decided that there were "no substantive reasons why he shouldn't have a gaming license" and issued Sinatra a temporary one that may be made permanent after six months. ■

Witness Sinatra

Flames (far right) leap toward top floors of nation's largest hotel

City of Towering Infernos

Las Vegas suffers yet another tragic high-rise conflagration

By his own first account, Philip Bruce Cline, 23, a busboy at the Las Vegas Hilton Hotel, was a hero. He was working his way down from the 29th floor in the east wing of the 2,783-room hotel, the nation's largest, picking up room service food trays from hallways. When he reached the eighth floor, he saw flames "flickering on the wall" in the elevator lobby. He tried to fight the blaze, then ran down the hall banging on doors to alert guests. But the fire raged out of control for more than an hour, killing eight people and sending 200 to hospitals.

Las Vegas Police Sergeant Robert Hilliard was not impressed by Cline's story. Checking the charred upper floors in the 30-story building after the fire was put out, he found trays and dishes still in the halls. A small point, perhaps, but, concluded Hilliard, "Cline wasn't doing his job, or he wasn't telling the truth." Cline was questioned again and given a lie-detector test. Said Police Lieut. John Connor: "He failed miserably." Finally, Cline signed a statement admitting to a far more sordid story: he had been engaged in a homosexual act on a sofa in the eighth-floor elevator lobby when his marijuana cigarette accidentally ignited window draperies. He knew his partner only as "Joe." Unconvinced that the fire started all that accidentally, police charged Cline with arson and eight homicides. If convicted, he could be sentenced to death.

The son of a retired Air Force master sergeant, Cline had dropped out of high school in Sunnymead, Calif. He was placed in a home for juvenile delinquents when, his father said, "I was overseas, and the wife couldn't handle him." Cline was under psychiatric care in California from 1973 to 1975, then began to drift across the U.S. He worked for a time as a busboy at the MGM Grand Hotel but is not thought to have set the fire there that killed 84 people last Nov. 21. Since the MGM blaze, Las Vegas has had two other hotel fires—at the Royal Americana in December and the Dunes in January —that are believed to have been deliberately set. Two fires, one in December and one in January, were quickly extinguished in the El Cortez hotel, where Cline had worked briefly. He had been dismissed after being charged with the theft of $747.50 from a casino change bank

According to officials, there were three other fires at the Hilton in addition to the one that Cline admits having started. After the main fire was under control, others broke out in quick succession in a second-floor linen closet, a third-floor service elevator lobby and in a ninth-floor fire hose, which had been cut open, stuffed with paper and ignited. Cline has been charged with setting only the eighth-floor fire but is being quizzed about the others

The eighth-floor flames had billowed out of a large window and roared skyward, cracking glass in the upper floors and setting rooms there afire. Helicopters lifted more than 100 people off the roof Others were less fortunate. Jack Turinsky, 41, of Anchorage, apparently had rushed into the 24th-floor hall, was overcome by fumes, struggled back to his nearly smokeless room and died there. Bruce Glenn, 47, of Plymouth, Minn., smashed open his 16th-floor window, dangled briefly from a sheet, then fell to his death on a third-floor deck. Harry Gaines, 69, and his wife Lorraine, 67, of Los Angeles, heeded the usual survival advice. They fled into their tenth-floor bathroom, shut the door, crammed wet towels under it and stuffed other towels into the air vents. But the flames were too fierce. Both died Said Fire Captain Ralph Dinsman "Sometimes you can do the right things, and it doesn't work out " ■

POLAND

A General Takes Charge

The new Premier may be Kania's last chance to restore order peaceably

His green uniform gleaming with nine rows of ribbons on his chest and four silver stars on each epaulet, General Wojciech Jaruzelski strode to the rostrum of Warsaw's parliamentary chamber and formally took over as Poland's new Premier. In the clipped tones of a military commander, he addressed both a plea and a stern warning to the troubled nation. "I am appealing at this moment for three months of uninterrupted work, 90 days of calm," said the general. He went on to promise that his new government would be willing to sit down with Solidarity, the independent union federation, to examine those labor reforms that "the country can afford." At the same time, he warned that the government "has enough power to halt those who are striving for counterrevolution."

Referring to the wave of strikes and sit-ins that have shaken the country for the past eight months, Jaruzelski issued a final admonition: "Further destructive activities may lead to conflict and to fratricidal war. Every Pole should arrive at his own conclusions." Whatever those conclusions might be, it was clear to everyone by the end of the 50-minute nationally broadcast address that the new Premier meant business.

Jaruzelski, 57, had replaced the ineffectual Jozef Pinkowski three days earlier at a stormy meeting of the Communist Party's 140-member Central Committee. He thus became the only military man to head a Soviet-bloc government. More important, his accession marked the fourth major leadership shake-up since the eruption of labor unrest last summer and, in the opinion of many fretful Poles and foreigners alike, perhaps the last opportunity for the Warsaw authorities to restore order peacefully.

Lech Walesa is hoisted aloft by peasant supporters outside supreme court in Warsaw

"We must now take time for a respite, for organization, and for an end to strikes."

In addition to his new job, Jaruzelski retained the defense portfolio he has held since 1968, giving him control over both the Cabinet and the army *(see box)*. That double duty made the Soviet-trained World War II veteran the second most powerful man in the government after Party Boss Stanislaw Kania. Jaruzelski, who has a reputation as a tough military professional as well as a staunch party loyalist, wasted no time in taking command. His predecessor had hardly cleaned out his desk when the general sacked two Deputy Premiers and five of 40 Cabinet ministers, many of whom were holdovers from the regime of deposed Party Boss Edward Gierek.

The Cabinet reshuffle drew differing analyses from Western observers. Foreign policy experts in Bonn see Jaruzelski as an orthodox party loyalist whose rise presages direct action by the Polish armed forces if the labor situation deteriorates further. U.S. State Department analysts, pointing to Jaruzelski's past reluctance to use force against strikers, predict that he will support Kania's relatively moderate policy toward the unions. If that happens, Kania will have gained a valuable counterweight in his struggle against extreme hard-liners like Politburo Member Stefan Olszowski who have been arguing for an immediate crackdown. Finally, Jaruzelski is trusted by the Kremlin; thus his entry into the government may reassure the Soviets that Warsaw intends to move firmly and effectively to restore order. Says one West German expert: "Jaruzelski is the last chance Moscow is prepared to give Warsaw."

Indeed, Soviet patience seems to be wearing steadily thinner. Official press organs throughout the East bloc were continuing their attacks on Polish unions and dissidents. The Soviet news agency TASS charged last week that "counterrevolutionary forces" in Poland had launched a "frontal attack" on the Communist Party. Soviet diplomats in Western Europe have been circulating the same message in their private conversations. Said one senior official at the Soviet embassy in Bonn: "The point has been reached when it is a waste of time to negotiate [with Solidarity]. It's time to get tough."

The intensity of current Soviet criticism has rekindled fears of a possible invasion. In a terse official statement last week, the State Department carefully declared that "military intervention in Poland is viewed as neither imminent, inevitable, nor justifiable on any grounds." But that public reassurance was intended to counter widespread reports that Secretary of State Alexander Haig is becoming pessimistic about the outcome of the Polish crisis. Privately, Haig and his top aides believe that it may deteriorate into chaos and create an unacceptable challenge to Moscow. Experts in Bonn and London tend to share that gloomy view, but still feel that the Soviets would move only as a last resort. Says one senior British diplomat: "If they send in the Red Army, they will have created a nightmare that will make Afghanistan look like a tea party." The Soviets still have 55 divisions poised within striking distance of Poland. While

there is no sign that they have stepped up their state of readiness, the upcoming Warsaw Pact winter maneuvers could serve as a cover for a Soviet move. There seems little chance of intervention, however, before the Soviet Party Congress in Moscow later this month.

Meanwhile, it appeared that a new cycle of labor calm might ease the rising tensions. In southwestern Jelenia Gora, workers ended a two-day general strike after the government agreed to convert a party sanitarium into a public hospital. After Jaruzelski's dramatic public appeal for a 90-day moratorium, Solidarity's national commission in Gdansk canceled a threatened printers' strike and ruled out all other work stoppages for the time being. But Union Leader Lech Walesa added that "our ultimate response to the call for a moratorium will depend on what happens during negotiations with the government." Those union-government talks currently under way concern a range of topics: the drafting of a new trade union law, the granting of radio and television time to Solidarity, and the continuing question of legalization for an independent farmers' union known as Rural Solidarity

In its long-awaited decision on Rural Solidarity last week, the Supreme Court executed a deft compromise that at first appeared to defuse a dangerous possible confrontation. Thousands of peasants from all over the country, many of them wearing colorful local costumes, had converged on Warsaw to hear the court's decision first hand. They sang and cheered as Walesa, sporting a short-brimmed peasant's cap, entered the gray stone court building to attend the hearing. He got a less enthusiastic reception when he emerged onto the steps five hours later to announce the court's verdict: the farmers were forbidden to form a union, but were invited instead to register as an "association."

The court argued that the country's 3.2 million independent farmers, who own their own land, were not employees and under Polish law were therefore ineligible for membership in a true union with the right of collective bargaining. By holding out the vague offer of association status, however, the judges hoped to stave off the widespread strikes and protests that had been threatened in the event of an outright rejection. Though there was disappointed grumbling outside the court building, Walesa helped keep tempers cool by calling the verdict "a tie, but one that gives us a great deal." He added: "We must now take time for a respite, for organization and for an end to strikes."

Though they later rejected the idea of an association, Rural Solidarity organizers said that they would continue to seek union status through legal channels rather than with strikes. But the next day in Rzeszow, where 300 peasants have occupied a government building for six weeks, the group's leaders suddenly reversed themselves. They now threatened not to plant crops this spring unless they are granted full union status. They also received an influential new endorsement: Poland's Roman Catholic hierarchy issued a bold statement declaring that the farmers' "right to free assembly as trade unions must be recognized." Once again Walesa's calls for moderation were tending to be undercut within his own ranks and among his own allies.

Another source of unrest was the continuing student strike that erupted three weeks ago at the University of Lodz and later spread to several other cities. Government negotiators in Lodz had already accepted some of the strikers' demands, for example, granting students a voice in the administration of the university. But the unresolved goals carried inflammable political overtones: no censorship of academic papers, free access to foreign books, abolition of obligatory courses in the Russian language and fewer courses in Marxism. Even if those issues remained understandably deadlocked, however, student leaders last week discouraged further university strikes "because of the difficult situation in our country."

Meanwhile, Poland's economy progressively worsened. According to government statistics released last week, industrial production has fallen 7.6% since January 1980, while wages have risen by 19%. That sort of socialist stagflation, compounded by a $24.5 billion foreign debt, spells economic collapse unless there is a huge influx of outside financing. Warsaw's major Western creditors may defer Polish debt payments when they meet in Paris later this month, thereby providing some emergency relief. But substantial long-term aid from the West, if it materializes, would probably take the form of a multinational package that would be conditional on economic reforms and political liberalization inside Poland. Assuming Moscow would stand for it, that sort of capitalist bailout would give an ironic twist to the Marxist maxim that economic conditions determine the course of political change. *—By Thomas A. Sancton. Reported by Richard Hornik/West Berlin and B. William Mader/Bonn*

Warsaw's Man on Horseback

Poland's new Premier is no stranger to conflict. He fought the Nazis in World War II, helped crush anti-Communist guerrillas in 1945-47, and was adept enough at political infighting to hang on as Defense Minister under three successive party leaders. To Poles contemplating his possible future moves, however, Wojciech Jaruzelski's most striking quality is the sense of patriotic conciliation that led him, in 1976 and 1980, to refuse to turn his armed forces against strikers. At the height of the food price riots 4½ years ago, the general told his colleagues on the Politburo: "Polish soldiers will not fire on Polish workers."

The biography of Warsaw's new man on horseback is full of curious twists. Born into a noble landowning family in Kurow, he rose to the top ranks of a proletarian dictatorship. Forcibly deported to the Soviet Union after Stalin and Hitler partitioned his homeland in 1939, he later became one of Moscow's staunchest advocates, and according to some accounts took a Soviet wife. Alternately called a moderate and a hard-liner by Western observers, he seems to be above all a survivor. To many, that is precisely what Poland needs at this hour.

Wojciech Jaruzelski

Jaruzelski began his military career in 1943 in the Soviet Union, where he joined the exiled First Polish Army as an infantry officer. He fought in its ranks in Poland and Germany until the end of the war, then took part in what his official biographer calls the "struggle against armed underground bands"—meaning the Polish anti-Communist resistance movement. After advanced infantry training and general staff college, Jaruzelski's rise was meteoric. By 1957, he commanded the 12th Motorized Division; in 1960 he was named the army's chief political commissar; in 1968 he became Poland's youngest general.

His climb through the Communist Party was no less rapid. Elevated to the Central Committee in 1964, he became an alternate member of the Politburo in 1970, a full member the next year. With party rank came political office. Appointed Deputy Minister of National Defense in 1962, he was promoted to Minister in 1968 and has held that post ever since.

Jaruzelski has won a reputation as both a fervent Polish patriot and an unshakable party loyalist. In introducing him to parliament last week, Party Boss Stanislaw Kania said: "Now as black clouds hang over Poland, he is the best man to whom the helm could be offered." Perhaps. But those clouds will sorely test his capacity for reconciling the conflicts between his nation and his ideology.

Chancellor Helmut Schmidt

WEST GERMANY

Family Feud

Schmidt's luck turns sour

Chancellor Helmut Schmidt's re-election last October reaffirmed his political strength in West Germany and his stature as one of the leaders of the Western alliance. Recently, however, Schmidt has been faced by mounting problems that could pose the most serious challenge to his leadership in nearly seven years as Chancellor. Last week, amid flaring controversies within his own Social Democratic Party (S.P.D.), he hastily called an emergency meeting of party leaders. "We've got to get this mess under control fast," Schmidt told aides. "Too much is at stake."

The Chancellor's quandary is how to discipline the increasingly restive left wing of his party. Leftist protests have increased ever since Schmidt reacted to a weakening economy by slashing $8 billion from the 1981 federal budget last November. At the same time, under pressure from the U.S., Schmidt also announced a 1.75% increase in defense spending. Suddenly faced with the prospect of frozen welfare spending and cuts in foreign aid and environmental programs, some 50 leftist deputies in the normally well-disciplined 218-member Social Democratic faction in the Bundestag broke ranks. Their rebellion threatened to undermine Schmidt's 45-seat parliamentary majority.

West Germany's economic performance, long the envy of the rest of the Continent, has fallen victim to rising oil prices and global inflation. Forecasts are the gloomiest in 30 years. The nation's growth rate is expected to fall from a positive 1.5% last year to minus 1.5% in 1981. The unemployment rate, 4.8% last year, may reach 6% or more, and inflation is expected to rise from 5.5% to 7%. West Germany's national debt is currently $232 billion. Nor are there any quick fixes on the horizon. "The Chancellor is depressed," confides an aide. "He fears there is global economic disaster ahead, for which not even he seems to have a solution."

The S.P.D.'s left was also incensed by a proposed $3 billion arms sale to Saudi Arabia, which would include 300 West German–made Leopard 2 tanks. In return, the Saudis promised to stabilize West German oil prices. Together with some party moderates, the leftists objected that the Saudi sale would violate West Germany's longstanding policy against supplying arms to "areas of tension" outside NATO. Schmidt stood firm. Karl-Heinz Hansen, an S.P.D. left-winger from Düsseldorf, went so far as to denounce Schmidt's policies as "filth."

The Social Democrats' divisions were not confined to the Bundestag. After an attempted Cabinet reshuffle following a local construction scandal, rebel party members last month forced the resignation of West Berlin Mayor Dietrich Stobbe. Riot police in Hamburg chased thousands of demonstrators who had been marching in protest against a proposed new nuclear power plant 70 miles away at Brokdorf. The government-backed project was dealt a substantial blow when Hamburg Mayor Hans-Ulrich Klose, a prominent S.P.D. member, threw his support to the antinuke environmentalists.

Nervous about the Reagan Administration's commitment to arms control, the S.P.D.'s left wing is demanding that Bonn cancel a 1979 NATO agreement calling for deployment of 572 Pershing II and cruise missiles in Western Europe by the mid-1980s. Predictably, Defense Secretary Caspar Weinberger's suggestion that the U.S. might be prepared to deploy neutron warheads only intensified the anxieties. Said Erhard Eppler, a left-wing S.P.D. leader: "Western Europe must make it clear to the U.S. that we won't go along with an arms race."

While looking for ways to placate the left, Schmidt is still mainly concerned about Washington and Moscow. His fear: the Soviets might think the protests of the Social Democratic left meant a weakening of Bonn's commitment to Western defense. Warned Schmidt: "That could be a dangerous miscalculation. These foggy minds [on the left] don't seem to realize this." A stormy closed-door meeting of the S.P.D.'s 40-member national executive committee last week grudgingly endorsed most of Schmidt's policies. Afterward, a Schmidt ally called the meeting "an exercise in patching up and papering over." Said a Western European diplomat: "Schmidt's great strengths have been his skill and his luck. There is still widespread confidence in him. But the past month has been unlucky." ■

BRITAIN

Labor's Loss

Williams bolts in protest

For years she had been considered one of the British Labor Party's most brilliant frontbenchers, even a possible choice for Prime Minister. But last week Shirley Williams put her future on the line and bolted into uncharted political territory. Protesting Labor's pronounced swing to the left, the former Education Secretary resigned from the party's national executive committee. Said she: "I believe the party I loved and worked for over so many years no longer exists." With other leading Laborites set to follow her out of the party early next month, Williams' defection set the stage for the formation of a new centrist Social Democratic Party that could drastically alter British politics.

Discontent among Labor's moderates and right wing has been growing ever since the party's annual conference at Blackpool last fall, when some decidedly radical policies were adopted. The official party platform called for Britain's withdrawal from the European Community and extensive new nationalization of industry and finance. In addition, leading leftists angered moderates by advocating unilateral removal of nuclear defense weapons from Britain. The climactic blow came at a special conference in Wembley last month, at which Labor M.P.s voted for a rules change that will give the bloc-voting unions and the left-leaning local committees a stranglehold over selection of the party leader. At that, Williams and three other former Cabinet ministers established a breakaway "Council for Social Democracy," the first step toward a new party.

Williams' departure drew strong criticism. Radical Left-Wing Leader Tony Benn accused her of "aiding the Tories." Some party moderates argued that it would have been wiser to stay and fight the left from within. Complained one executive committee member: "Leaving the party can only be seen as running away and giving up the battle."

Williams

That is scarcely what Williams and her colleagues have in mind. She and the other leading dissidents will officially quit the party on March 9 and, later in the month, plan a formal launching of the Social Democratic Party. Further in the future: a possible coalition with the rejuvenated Liberal Party that could prove a formidable force in British politics. According to a poll published in the London *Times* on the day Williams resigned, the new grouping would outpoll both Labor and Conservative parties. ■

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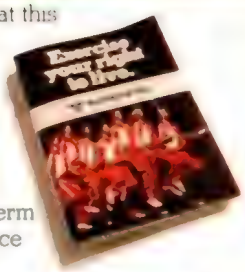

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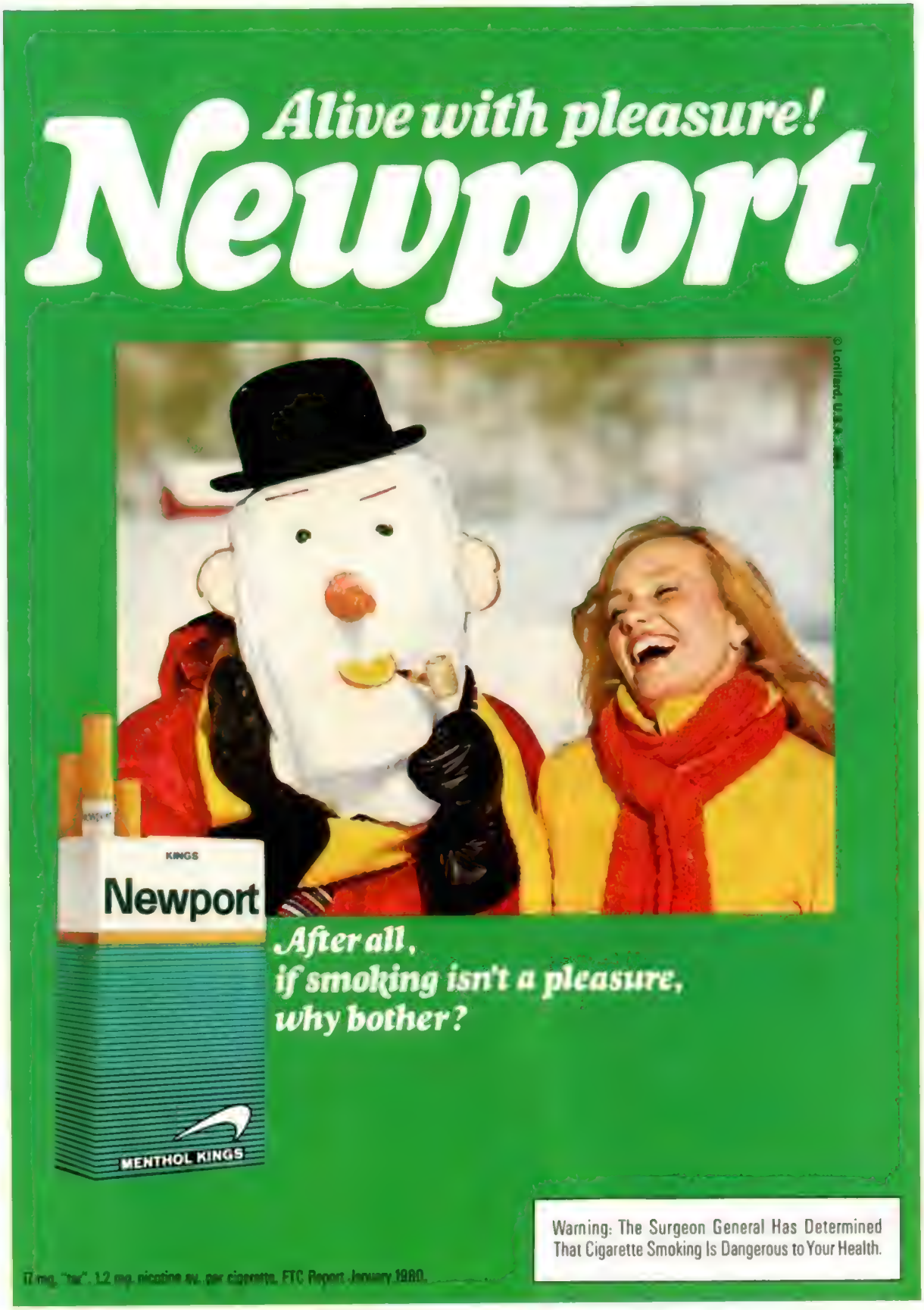
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NORTHERN IRELAND

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Fanning sectarian embers

"We will yet defeat the most nefarious conspiracy that has ever been hatched on a free people."

If those stirring words uttered last week by the Rev. Ian Paisley, 54, the durable firebrand of Ulster politics, had a strangely familiar ring, it was not accidental. Precisely the same call to arms had been issued 69 years earlier by Ulster Hero Sir Edward Carson, when he rallied fellow Protestants fighting to keep their ties to the United Kingdom rather than accept Irish home rule and Catholic domination. Paisley, too, was seeking to stir support among Ulster's 1 million Protestants against any conceivable sellout to the Catholics, and he had an additional motive. With local elections scheduled in May, he hoped to strengthen his Democratic Unionists against the bigger but less dogmatic Official Unionist Party.

As always, his political showmanship was adroit. To muster support, Paisley sat down ostentatiously in Belfast's City Hall last week, behind a table covered with the Union Jack, to sign his name to "Ulster's Declaration," which he had composed. It pledged allegiance to Queen Elizabeth on the part of Northern Ireland Protestants —and promised a fight against "the conspiracy hatched at the Thatcher-Haughey Dublin summit." The "conspiracy" to which he referred was last December's Dublin summit between British Prime Minister Margaret Thatcher and Irish Prime Minister Charles J. Haughey.

Paisley's declaration was not his only melodramatic ploy. Earlier, he had staged a nighttime muster for five Belfast journalists. They were taken in a blacked-out van to a windswept hillside, where they emerged to see 500 men drawn up in military ranks. The men, warned Paisley, were only a fraction of the Protestant force that could fight for continued union.

Paisley

Paisley's political theatrics occurred as terrorist attacks were continuing. Following a near fatal Protestant assassination attempt against Catholic Activist Bernadette Devlin McAliskey and her husband, and the I.R.A. killings of Protestant Notable Sir Norman Stronge and his son, an I.R.A. commando scuttled a British collier off the coast. At the Maze Prison outside Belfast, meanwhile, I.R.A. prisoners announced another hunger strike to begin March 1, similar to the 53-day protest last year that nearly cost the lives of seven prisoners before it was called off. ■

Sadat and Giscard at welcoming ceremonies at Paris' Orly Airport

MIDDLE EAST

Drawing Bravos

Sadat plays Europe

He is anathema in much of the Arab world for his dealings with Israel, but there are still plenty of places where Anwar Sadat is considered something of a model statesman. Last week the Egyptian President went to Western Europe and came away with bravos ringing in his ears. He was given a standing ovation by the European Parliament, then a red carpet reception by French President Valéry Giscard d'Estaing.

Sadat had been invited to address the European Parliament in Luxembourg. With customary acumen, he seized the occasion to endorse a Middle East peace initiative the European leaders had agreed upon at their summit in Venice last June. But it was a qualified endorsement; he emphasized that the European effort should supplement rather than supplant the Camp David peace accords between Egypt and Israel. When an Italian Communist deputy held up a placard reading NO TO CAMP DAVID! Sadat departed from his text to say, with a smile, "I have not come here to sell Camp David."

Nonetheless, he said, Europe's political unity made it "uniquely qualified to play a prominent role" in the peace process. Noting that a Palestinian entity would pose "no threat to the security of Israel" because it would be too preoccupied "with the task of reconstruction and building bridges with other nations," he urged the Europeans to help persuade both Israel and the Palestinians to work toward "mutual recognition." He also invited the Europeans to consider "security guarantees" for an eventual settlement; one possibility that the Europeans themselves have discussed is the dispatch of peacekeeping troops.

Once again, Sadat came out forcefully against the inclusion of Jordan in any resumption of Palestinian autonomy talks. And though the Venice declaration called for the "association" of the Palestine Liberation Organization in Middle East negotiations, Sadat pointedly omitted any mention of the P.L.O., a possible signal to the Europeans not to insist on P.L.O. involvement, at least not until a later stage.

Sadat, accompanied by his wife Jehan, next flew to Paris for what had been billed as a two-day private visit to the French capital. Instead, it had all the makings of a state affair. Accompanied by his wife Anne-Aymone, the protocol-conscious Giscard broke with custom by meeting the Sadats at the airport (something he never does unless it is an official state visit), escorted them on a leisurely tour of the city, then hosted a lunch at the Elysée Palace. Afterward, Giscard and Sadat spent two hours talking privately.

The warm Gallic welcome ended several years of frostiness between Paris and Cairo and demonstrated a recent shift in the French diplomatic posture with regard to the Middle East. Giscard has been burned by Libya, whose Colonel Muammar Gaddafi recently made a power grab in the former French African colony of Chad. As a result, he has been discreetly backing away from his formerly enthusiastic support for radical Arab regimes. With the French elections only three months off, he seems also to be trying to avert criticism that his oil-comes-first foreign policies have not paid off.

The Israelis, meanwhile, took Sadat's continental success in stride. Even before Sadat addressed the European Parliament, most Israelis had a pretty good idea of what he would say. The reason: Israeli radio and television quoted verbatim excerpts of a report sent back to the foreign ministry by Israel's Ambassador to Egypt, Eliahu Ben-Elissar, recounting a private meeting with Sadat. In the leaked excerpts, Sadat said in private what he was later to say in public: that Camp David still takes precedence over a European initiative and that Jordan and the P.L.O. must stay out of the talks. But the fact that so confidential and high level an exchange could be leaked was deeply embarrassing to Israeli foreign ministry officials. The leak also undercut a popular Israeli diplomatic argument: that Israel could be a powerful—and discreet—friend of Egypt's in security matters. ■

EL SALVADOR

Stonewalling

Officials ignore new clues

Sixteen sets of fingerprints. A revealing smear of red paint. Ballistics tests on high-powered rifle bullets. A collection of such solid clues has raised serious new questions about the official investigation into the brutal murder late last year of three American nuns and a lay religious worker in El Salvador. But TIME has learned that while the inquiry has turned up an impressive amount of hard evidence about what took place, Salvadoran authorities are stonewalling, stubbornly refusing to press the inquiry to the point where their own security forces might become implicated.

When the American women missionaries were found shot to death last December, U.S. officials cited "circumstantial evidence of possible security force involvement." But Salvadoran police and military officers dragged their feet in trying to track down the killers of the women, prompting the Carter Administration to suspend all U.S. aid to El Salvador until a "complete, thorough and professional investigation" of the murders had been undertaken. A four-man Salvadoran commission of inquiry was finally appointed, and a team of FBI agents was dispatched to help.

Then came last month's offensive by El Salvador's leftist guerrillas. The U.S. moved swiftly to restore $5 million in nonlethal military aid and add $5 million in weapons and ammunition. One reason cited for the resumption was a vague claim by the State Department of "progress" in the murder investigation. In fact, the only real progress has been made by the FBI agents and other independent investigators.

Some of the FBI team's findings:

▸ Sixteen sets of latent fingerprints were lifted from the burned, blackened paint of the white Toyota microbus the four women were driving the night they were killed.

▸ The microbus bore a smear of red paint, where it had apparently scraped against another vehicle. Peasants in the area reported seeing the microbus being towed by a red vehicle.

▸ Although official Salvadoran doctors refused to perform autopsies at the time, two of the nuns' bodies were later exhumed in the U.S. and bullets were removed from them. Ballistics tests revealed the kind of high-powered rifle the bullets came from are a type regularly used by the security forces.

▸ The names of all security forces personnel on duty in the area where the women were killed, about 20 men, were established. Some were national police troops; others belonged to the Hacienda (Treasury) Police.

The next steps should have been simple. The fingerprints of the 20 policemen could have been compared with the prints on the microbus. The weapons issued to the men that night could have been examined and ballistics tests performed. A search could have been made for a red vehicle. The Salvadoran government has failed to take any of these steps.

It is unlikely that the U.S. will apply any further pressure to find the killers. Last week the State Department reiterated its "concern" about the investigation but "delinked" it from future aid to the Salvadoran government. Shortly after the new U.S. chargé d'affaires, Frederic Chapin, arrived in El Salvador last week, he spelled out the Reagan Administration's new priorities: to give "full support to the present government" against the leftist insurgents and "to help impede the intervention of third countries" in El Salvador's affairs. "All else," the chargé concluded, "is subordinate." ■

ZIMBABWE

Bulawayo Brawl

Warfare at a "place of killing"

It began in a beer hall next to a Zimbabwean army camp with a weekend brawl among soldiers from the country's two major tribal groups, the Shona and Ndebele. But the fighting, which expanded last week into a fierce factional and tribal war, resulted in more than 100 deaths and dramatized the serious internal conflicts that have continued to plague Prime Minister Robert Mugabe since independence ten months ago.

The fighting centered on Bulawayo, the country's second largest city. It is also one of the main locations where the government has been trying to fuse a national army by integrating the two rival guerrilla forces that fought for independence as the Patriotic Front: the ZANLA forces that were led by Mugabe and are composed mostly of Shona tribesmen; and the ZIPRA guerrillas, mostly Ndebele, who remain loyal to Joshua Nkomo. As last week's clashes intensified, ZIPRA and ZANLA units grabbed weapons from the camp's armory and summoned other former guerrillas to come help them. The fighting quickly spread to other nearby army bases and eventually involved as many as 10,000 troops.

For five days, mortar and rifle fire thundered all around Bulawayo (derived from a Ndebele word and broadly meaning "place of killing"). Scores of homes near the camps were damaged by rocket fire. Streams of civilians fled from the confused battle into the nearby bush or to the city center. Shops and schools remained closed in the deserted downtown areas.

Responding swiftly, Prime Minister Mugabe called on other national army units to separate the warring troops. Among them, ironically, was a battalion of the former Rhodesian African Rifles, a 3,000-man brigade commanded by white officers and once the scourge of Zimbabwean guerrilla fighters. By week's end the national army troops had regained control of Bulawayo. Up to 1,000 dissident ZIPRA troops disappeared into the bush. Many carried their machine guns and grenade launchers with them, auguring more strife.

Nkomo rushed to the city to try to cool tempers among his Ndebele tribe. He denied that the fighting might also have been provoked by his recent demotion by Mugabe. "I don't think anybody knows what started it. When somebody shoots off a gun, it becomes infectious," he said. To avoid or at least contain future clashes, Nkomo proposed relocating army bases far from civilian centers. But no matter how far the units are removed, the dangerous, deeply rooted tribal and political antagonisms will go with them. ■

Flashes of rockets and tracer bullets cross the sky over the beleaguered city

"Nobody knows what started it. When somebody shoots off a gun, it becomes infectious."

Myth:

All freight carriers compete on an equal basis.

Fact:

Public subsidies for trucks and barges throw competition out of balance.

You, as an individual, pay part of the cost for everything shipped by truck or barge—whether you use it or not.

The public roads and highways—the rights-of-way for heavy trucks—are built and maintained primarily by money collected from drivers of passenger cars and light trucks. If a product travels by barge, it moves through locks and dams and over waterways built and maintained almost entirely with your tax dollars.

Nearly all of America's freight railroads build, maintain and pay taxes on their track and rights-of-way, and these costs are paid from dollars earned by the railroads. As a result, it costs the railroads 34¢ out of every dollar of revenue for track and rights-of-way, compared to the 5¢ paid by trucks and the .003¢ paid by barges, neither of which amounts to a fair share of costs.

All transportation has received government assistance at one time or another. The freight railroads, however, have reimbursed the government for most prior aid. Much of the current aid to some railroads is in the form of loans to be repaid with interest. On the other hand, trucks and barges have long received outright subsidies.

All forms of freight transportation should pay their full costs of doing business. When they do, the American people will receive the most economical transportation services—and a needless burden will be lifted from the motorist and taxpayer.

For more information, write: Competition, Dept. 4, Association of American Railroads, American Railroads Building, Washington, D.C. 20036.

Surprise:

Rights-of-way costs are heavy for America's freight railroads; motorists and taxpayers carry most of the burden for highways and waterways.

SPECIAL PROJECT

American Renewal

THE BELIEF IN AN ever better tomorrow, the conviction that obstacles exist to be overcome and that the U.S. has a strong and beneficial role to play in the world—these constitute the American secular religion. For some time now, that religion has been corroded by doubt. Intractable inflation seems to have turned the good life into a treadmill and has shaken our confidence in the future—America's last frontier. Our industry appears to have lost its productive magic, its daring, and sometimes even its competence. Our Government is intrusive, inept—and expensive. Our democracy too often produces only mediocrity and deadlock.

Abroad, allies whom we rescued from the shambles of World War II defy us, former enemies whom we defeated now often outproduce and outtrade us. Our power is challenged by growing Soviet ambitions and military prowess; by OPEC's endless extortions; by a chaotic, largely hostile Third World. Much of this situation was symbolized by two recent events that showed the U.S. relatively powerless: the Soviet invasion of Afghanistan and the Iranian hostage crisis.

Is this what has become of the American Century?

Not really. America's domestic and foreign crises are genuine. But they have been widely exaggerated. The U.S. is more self-critical than any other nation; it is also more resilient than most. The U.S. has not suddenly turned into a second-rate power, or even (as is sometimes suggested) into just another big power. It remains unique. It has immense resources—physical, intellectual, spiritual—which are not being fully or rightly used. An American renewal is entirely possible. But it is not inevitable. It will not be accomplished by rhetoric, chest thumping, self-hypnosis. It will take great and disciplined effort and exact a considerable price. It will also require a virtue rare in America: patience.

That is the theme of the special editorial undertaking by all of Time Inc.'s magazines this month: American Renewal.

The need for renewal ranges well beyond economics, politics and defense; it encompasses ethics, morale, social and spiritual values. That fact and a desire to reach the largest possible audience are the reasons why we decided to spread this special project among all our publications, including those not primarily concerned with public policy. In more than a score of articles all together, each of the magazines treats a different set of issues and offers suggestions about what should be done.

We have not tried to cover every topic worthy of attention, and we make no claims to unique answers or unique wisdom. We expect disagreement and debate. But as journalists who believe that our role should be constructive as well as critical, we have given the nation's problems much thought; we have also made a sizable effort to sift the thinking of others and to present what we believe to be the best and most promising proposals. We hope that concerned citizens and experts in many groups, organizations, schools and colleges—possibly even in Government—will consider these issues anew. Our chief purpose is to dispel the notion that nothing can be done. Thus we also report on many people who have in fact done a great deal, have already begun their own American Renewal.

Work on the project started last May, long before the outcome of the election was discernible. Some of our recommendations parallel Reagan Administration policies or promises; many differ sharply from them. In general, we have not worried about what seems politically easy or feasible, but about what seems right.

America's ills are attributed to changes abroad and variously to lack of will, failure of nerve, moral decay, selfishness and sloth, the shattering of community feeling. One can find signs of all of these, but the key may be something else: the fact that Americans want just about everything, without considering or fully understanding the cost. We want freedom as well as order, individual liberty as well as equality, safety as well as the benefits of risk taking, a wide-open society as well as less crime, material wealth as well as spiritual worth—without stopping to think that each of these values takes something away from the other. To use an ungainly but accurate word, we have forgotten the trade-offs.

At home, the most urgent area of renewal is, of course, the economy: curbing inflation by restoring productivity and by limiting Government spending. The solution to this all too familiar problem lies in politics more than in economics: Can American democracy, or any modern democracy, restrain the excessive demands made on the society? Can the drift toward the welfare state and egalitarianism be halted without betraying the ideal of social justice? To accomplish this—and everything else we need and want—one thing is essential: sustained economic growth. This means rejecting the disastrous gospel that growth is impos-

sible or wrong, and that small is always beautiful. Moreover, we should firmly keep in mind that socialist, rigidly planned economies are in deep trouble almost everywhere. These matters are examined in several articles in FORTUNE and MONEY.

The second great task of renewal involves our political system, which sometimes alarmingly recalls the creeping paralysis of the Third and Fourth French republics. The goal must be once again to strengthen the presidency, to undo some of the misguided reforms that have made Congress so unmanageable, to curb the monstrous federal bureaucracy and to counter the power of single-issue constituencies. Contrary to some critics, we believe that much of this can be accomplished without major changes in the Constitution. We also see the need for revitalizing the political parties and for limited changes in our electoral system, which has been distorted by, among other factors, the questionable notion that the best thing for democracy is more democracy. These issues are examined by TIME.

As for the renewal of American power in the world, a subject also treated by TIME, it will depend on changes in attitude. When it has not been actively intervening, America has viewed its influence abroad as automatic, simply radiating outward through the shining example of the country's strength and goodness. If this was ever true, it surely no longer is. If we Americans want to be a power in the world, we will have to pay for it—and not only in money. For example, it is difficult for a country to be taken seriously as a world power if it refuses to have a military draft in an era of crisis. The U.S. needs the draft.

At the same time, we must take a more balanced view of the world. We are often unrealistic in overestimating the Soviets, who have serious troubles of their own. But we are also unrealistic when we feel that any success anywhere in the world not only by the Soviets and their avowed allies but by any kind of revolutionary force is a defeat for us that should be resisted and reversed. No empire since antiquity has had that kind of power. The overwhelming predominance we enjoyed following World War II, with most of the industrialized world in ruins and America in sole possession of the atomic bomb, can never be restored. We will have to face choices about where we want to bring our power to bear.

We must also realize that military might is a necessary but not a sufficient condition for American influence. It is no substitute for intelligence, sophistication, flexibility and political action, both overt and covert. Especially in the Third World, nationalism is the most potent force, and we must try to work with it rather than against it. In general we must understand that the exercise of power is a continuous task. On the world scene, as perhaps in life, there are no permanent solutions or victories. To win means to stay committed, and to maneuver.

SUCCESS IN ALL THIS depends on renewal in the realm of intellect and spirit. It requires maintaining our already contested lead in science and technology and developing a many-sided energy policy not hampered by, among other things, hysterical fears of nuclear power. These topics are examined in DISCOVER. Success will also require a nation that is far better educated than we are now, a problem addressed in LIFE. We must recover a view of education beyond a certain point, not as a right, but as a privilege. Education must no longer be regarded as painless but as an enterprise in which intelligence, talent, effort and discipline are prized rather than devalued, as they are now. Examining the elusive topic of the country's moral fiber, SPORTS ILLUSTRATED looks at competition in America and its importance not only in sports but in all areas of life. PEOPLE takes up the forces battering the American family, as well as the deep needs that keep it together. PEOPLE also looks at the role that can be played by volunteers, as shown by individuals whose unselfish work has made a real difference in their communities.

Despite the heartening example of such commitments, we face a crisis of moral responsibility, which is considered by TIME Many people are either unwilling to take up their responsibilities or unable to discern what they are. Our society as a whole is not only without an effective religious ethic; its codes of secular morality are also in tatters. It is hard to imagine a plan of action, a practical program, for a moral revival. We can preach and listen to preachers; we can try to do good ourselves and organize good works; we can, and should, re-examine the philosophical source of our laxness. But in the end, we will undoubtedly find that a resurgence of values will not be brought about by moralizing vigilantes, by legislation or constitutional amendment. A respect for authority, a sense of duty and a degree of self-restraint—these will never be restored in a society that has slipped too far. But in a society like ours that still has great reservoirs of sound moral strength, they will be restored almost mysteriously, through natural growth, as a result of millions of individual decisions and efforts. There is much evidence that, in reaction against the permissive excesses of the '60s and '70s, people (especially the young) have begun to rediscover a desperate need for standards, and that the self-worship of the "me decade" is giving way to a new sense of mutual support.

THE PROBLEMS OF race remain a standing reproach to American morality. Tremendous progress has been made during recent decades in stamping out discrimination, but economically troubled times always reveal its lingering presence. The fight against it must continue, and so must a measure of "affirmative action," preferably without the excesses of Government bureaucracy. Anything less would badly tarnish an American Renewal.

One of the greatest falsehoods spread in recent years is that people are powerless. Far from it. We have seen the advance of a breathtaking series of organized causes, from the environmental movement, which became a major force in less than a generation, to women's rights and the antiabortion campaign. In fact, far too much effort is expended on single issues. They may or may not be worthy in themselves. The point is that these crusades downgrade or ignore overriding national issues and ultimately the broad national interest. It happens partly because people are uncertain as to just what the national interest is and so these narrow causes become their substitute communities, their homes.

Yet the success of these drives has demonstrated that we have an ability unmatched in any other modern democracy to organize for the reshaping of society. The crucial task now is to restrain this capacity and guide it toward broader issues so as to make possible at least a measure of consensus and unity.

The founding fathers recognized and denounced the "spirit of faction." That spirit has always existed in our highly contentious nation; the broad consensus that supposedly prevailed in earlier days is largely a nostalgic illusion. We will never turn into a republic of virtue, animated by perfect brotherhood. We are too large, too varied, too free and too human for that. But in the past at least we usually managed to rule ourselves through rough accommodation, based on the recognition that while I may subdue my neighbor on one issue today, he may subdue me on another tomorrow. The founders thought of this as civic virtue, as self-interest rightly understood. That is what we must retrieve.

To believe in an American Renewal one must ultimately believe in individual Americans: those countless citizens who, despite all the doubts, the heedlessness, the disorder of the society, go about their lives with courage and patience, slangy competence and cheerful persistence, with some larceny and some anger and some kindness—and above all with the odd conviction that their country is still an experiment and that it must stand for something beyond mere survival. These are not exclusive American virtues, but they are human virtues with a very American accent, and they surely must inspire a sense of love and hope.

—By Henry Grunwald
Editor in Chief

To Reform the System

Needed: major changes in Government—but not constitutional surgery

"Habit is habit, and not to be flung out of the window by any man, but coaxed downstairs a step at a time."

—Mark Twain

If there is one political belief that Americans cherish as an article of faith, it is the belief that their system of constitutional Government is the best ever devised by the mind of man. Yet an increasing number of citizens seem to share a contradictory view—that the system is not working. The evidence takes diverse forms. There are widespread demands for several differing constitutional amendments. And after the usual blizzard of declarations that every ballot is crucial, only 53% of the eligible voters went to the polls last November, the fifth voting decline in a row.

Opinion polls, the nation's favorite medium of public confession, document the erosion of Americans' faith in their system. Pollster Louis Harris has been asking over the years how many citizens believe in a series of statements like, "The people running the country don't really care what happens to you." The number who subscribe to this "index of alienation" has climbed steadily, from 29% in 1966 to 44% in 1972 to 58% today. The University of Michigan's Center for Political Studies asks opinions on similarly glum statements: "The Government is pretty much run by a few big interests . . . Quite a few of the people running the Government don't seem to know what they're doing . . ." The alienated again rise sharply, from 19% in 1964 to almost 60% today.

Just as Oscar Wilde once remarked that the youth of America is its oldest tradition, much the same could be said of complaints about the failings of the U.S. political system. George Washington grumbled that "the stupor, or listlessness with which our public measures seem to be pervaded, is, to me, matter of deep regret." Through all the criticism, the mere fact that the system has survived more than two centuries of turbulent change is the strongest possible evidence of its solidity. While the American way of Government has repeatedly stood accused of inefficiency, the best defense is that it was not designed for efficiency but for accommodation and consensus. That, indeed, is the key to its survival.

To some extent, the faults of the system can be blamed on the men charged with operating it. And perhaps their biggest failure lately has been the inability to formulate a coherent set of national priorities. The result: enactment of muddled programs because there are no clear objectives. Democratic Congressman Richard Bolling of Missouri, who hopes to establish later this year a bipartisan blue-ribbon committee on reorganization of the Government, believes that a new national consensus has been needed ever since the basic objectives and priorities began to blur about 15 years ago. That was the time, at the height of Lyndon Johnson's Great Society flourishes, when the polls began showing that increase in public alienation. "Lyndon Johnson forgot to ask for a tax increase to pay for the Viet Nam War," Bolling says wryly, "and that was the breaking point. In the absence of a broad overall concept, people retreated to their own interests. Society became fractionalized, and the interest groups exacerbated that. No President and no Congress can reorganize the Government now without a great deal of support from concerned citizens. Big Business and Big Labor also have to come together."

But even though some of the nation's problems derive from the questionable competence of its elected leaders, and even though some derive from the general uncertainty about where the U.S. should be heading, the fundamental question remains: If a first-class leader managed to reach the White House, and if he had a clear and persuasive view of the course he wanted to set, could he provide an effective Government? Or would "the system" doom him, as it doomed more than one of his predecessors, to a single term ending in bitterness and frustration?

Constitutional Cures

The creators of the Constitution never claimed that the document they drafted in Philadelphia in 1787 was immune to change. Not only did Article V authorize amendments by Congress and the states, but it also promised that whenever two-thirds of the state legislatures wanted to summon a new convention, they could rewrite the whole Constitution. Thomas Jefferson thought some such revision was needed once in every generation. "Alterations may at any time be effected . . ." added Alexander Hamilton in the 85th and last of the commentaries and cajolings that make up *The Federalist*. "The will of the requisite number would at once bring the matter to a decisive issue."

Alterations have indeed been effected, from the Bill of Rights (adopted in 1791) to the 13th Amendment abolishing slavery (1865) to the 26th and most recent Amendment (1971) lowering the voting age to 18.* The possibility of a new convention, however, has never been fulfilled. There have been attempts made—scores of them. In the early years of this century, 26 states petitioned for a constitutional convention to outlaw polygamy. In the past few years, 30 of the necessary 34 states have petitioned for a convention to require balanced budgets.

The founding fathers not only did not design a blueprint for the America of 1980 but had not the faintest idea what it would be like. Where the White House now stands, there were only a few empty meadows upstream from the barnyard where George Washington tried to breed new varieties of mules; Ronald Reagan's smog-filled Los Angeles was a tiny settlement of Spanish friars surrounded by thousands of miles of wilderness. The principal danger envisioned by those squires and merchants who had rebelled against King George was that of monarchy, and their remedy for that danger was the theory of checks and balances. "Ambition must be made to counteract ambition," said James Madison. The theory is reasonably sound, but as circumstances have changed and become more complex, the doctrine of separate powers can be partly blamed for the present imbroglio, a presidency unable to get any program through Congress unmauled and a Congress unable to get its wishes carried out by an entrenched bureaucracy.

Despite these shortcomings, however, radical surgery on the Constitution is not the answer. It is hard to imagine any major overhaul of the nation's fundamental charter that would not cre-

*There are fairly clear patterns. Of the twelve Amendments passed since 1870, six broadened the vote in various ways, three regulated technical aspects of the presidency, two began and then ended Prohibition and one permitted the progressive income tax

ate more problems than it would solve. In fact, some of the problems afflicting the system today derive from various reforms undertaken—with the best of intentions—during the past decade. These were primarily liberal reforms, designed to improve the way Presidents are elected and the way Congress deals with legislation. The chief target was "the bosses," the chief goal a more open political process. Only now that bossism has been largely overthrown can it be demonstrated that the party bosses performed a valuable function after all, that they were a corrupted form of a system known as representative democracy, and that the new vogue for various forms of "direct" democracy could itself become undemocratic.

The founding fathers emphasized that the U.S. was a republic, which simply meant that they would bow to no king, but they had no intention of establishing a democracy, which most of them regarded as synonymous with mob rule. Thus they decreed that the President should be elected not by direct popular vote but indirectly by an Electoral College, and that Senators should be chosen by state legislatures (a method that was changed by the 17th Amendment of 1913). They did so not only because they feared the vicissitudes of what conservatives liked to call "the tyranny of the majority," but also because they wisely saw the values of circumspection and consensus. If every public issue can be submitted to an instantaneous plebiscite —a utopian (or nightmarish) possibility that cable television has now made technically possible—then there is little time and little impetus for thoughtful debate, for the analysis of dangerous consequences, or for the conciliation of opposing minorities. All of these are necessary for the formulation of policies that truly serve the public interest. All of them can best be achieved by a process known as intermediation, in which various groups of citizens and various layers of Government have an opportunity to shape and influence the raw expression of public opinion. This was one of the major purposes that the political parties once served, and that is why their influence needs to be restored in the presidential elections, in the operations of Congress and throughout the governmental process. The whole process depends on the building of coalitions; otherwise, the only rule of politics becomes the rule of every man for himself —the exact opposite of the purpose for which Jefferson said governments are instituted.

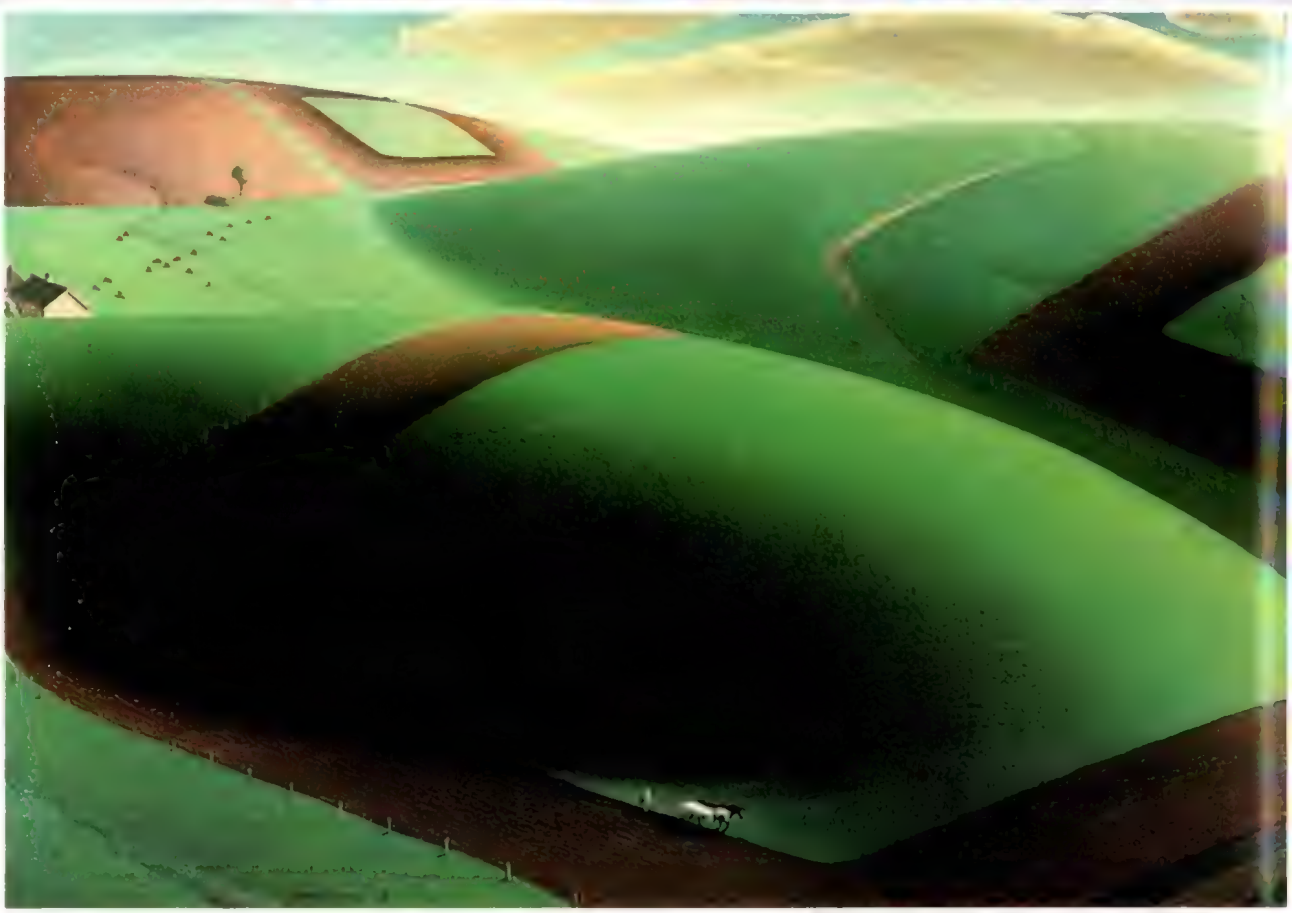
Though any alteration of the Constitution should be regarded with extreme caution, there is much else that needs to be done. Indeed, there is hardly a single element in the U.S. system that could not benefit by some serious scrutiny, some re-evaluation, some alteration.

How Lightning Strikes

The first area to consider involves the nation's most basic political act: choosing a President. There was a widespread view during last year's campaign that any system that forces the American public to choose between a Ronald Reagan and a Jimmy Carter for the most powerful office in the world is a system gone wrong. This sour judgment was not dispelled by the fact that the previous rules produced mediocrities like Coolidge and McKinley and incompetents like Pierce and Harding. Nor is it overwhelmed by the argument that Reagan and Carter would have won under any system, since they were demonstrably the most popular candidates in their parties. Nor even by the possibility that Reagan may turn out to be a good President.

The present nominating process is a prime example of reforms that have not worked. The 1968 Democratic Convention, an embarrassing spectacle dominated by Chicago's jowly Mayor Richard Daley and his helmeted riot police, inspired the party's liberals to push through a series of antiboss rules requiring a more open process. The number of delegates elected in primaries increased from 40% to 75%, and rules governing state conventions were liberalized; the "unit rule," requiring all of a

WIND FROM THE SEA, 1947, BY ANDREW WYETH



SPRING TURNING, 1936, BY GRANT WOOD

state's delegates to vote the same way, was abolished, and more seats were made available for women, young people and minorities. The Republicans basically followed suit in 1972.

Whatever the merits of the reformers' goals, the net effect has been a nearly permanent presidential election campaign, which culminates in a 37-primary marathon that exhausts and bewilders both the candidates and the voters. It ultimately leaves the party leaders very little to do at the nominating conventions except put on straw hats and look interested. One of the most remarkable aspects of the thoroughly "reformed" 1980 Democratic Convention was that the 3,331 delegates included only 72 Governors, Senators and Congressmen. By contrast, the assembled delegates included 388 representatives of teachers' unions—one sign that at least part of the nominating machinery had been seized by special-interest groups composed of ideologues or amateurs.

The steady weakening of the political parties, combined with the steady growth of television as the prime mediator between the voters and the Government, means that the primary campaign now emphasizes the wrong issues and the wrong qualities. What is needed to win primaries is often quite different from what is needed to govern. Primary politics is the "politics of celebrity." Experience counts for little and sound policy for less. Indeed, the time required for shaking hands at factory gates, smiling triumphantly at barbecues and endorsing local candidates at gatherings of party faithful makes being unemployed (but rich) one of the major prerequisites for victory. To know anything is less important than to be known. The low arts of making deals and trading favors have been replaced by what perhaps may be the even lower arts of media manipulation and the 90-second film clip.

Nobody today advocates a return to the notorious smoke-filled rooms of the turn of the century, but certainly the recent reforms should themselves be reformed. Here is how:

• *The campaign must be shortened.* The first contest now is the Iowa caucus in mid-January, but the candidates have to start raising money long before that in order to get federal matching funds. One remedy—urged by former L.B.J. Aide Douglass Cater in a study for the Aspen Institute—would be to ban use of federal funds before the spring of an election year.

No primary should be held before April 1, and they should all be held within 90 days. The present multiplicity of primary voting days could be limited to three or four, and the primaries could be scheduled on a regional basis, greatly reducing the need for the candidates to hopscotch around the country. This idea was endorsed last December by the President's Commission for a National Agenda for the Eighties. Some experts have advocated grouping the primaries on a more scattered basis in order to avoid favoring any one region, but regional primaries seem a more coherent way of testing the voters' preferences.

• *The proportion of elected and committed convention delegates should be decreased.* The current system commits most delegates elected in the primaries to vote for their candidates on the first ballot, regardless of what happens in the world during the months before the convention. It thus tends to reduce the convention to a mere ratification. One interesting proposal put forth by Newton Minow, Adlai Stevenson's law partner and a longtime Democratic stalwart, would not limit the primary balloting to party members but allow independents to participate in a separate "advisory" primary; their votes would help test popular sentiment but would not be binding on any delegates. A more sweeping and effective reform would be to have only half

PRIVATE COLLECTION PHOTOGRAPH COURTESY JAMES MAROOR, INC., N.Y.

the delegates elected in the primaries. The other half would be chosen by the top state official of the party, either the Governor or the party chairman, and would consist mainly of public officials. Such a change would immediately restore to the party organizations a good deal of their lost power. It would reduce the importance of celebrity politics. It would establish valuable relations between the presidential candidates and local officials.

• *The rules on campaign financing should be loosened.* Since the 1976 election, candidates have operated under complex rules that require them to scrounge for thousands of small donations in order to get matching federal funds, which last year reached a maximum of $7.4 million. Designed to eliminate sinister "fat cat" donors, the current rules limit individual contributions to $1,000, and only the first $250 of that counts toward the matching funds. The reforms have made an immense growth industry out of finding and exploiting loopholes. Money has poured into the political action committees newly organized by various industries and interests, and they donated roughly $55 million to their political favorites in 1980. Among the most notable exploiters of the new system: single-issue groups like the antiabortion lobby, particularly those that have easy access to computerized direct-mail fundraising lists.

The simplest solution would be to abolish all limits on donations, requiring only that they be made public. If a candidate wants to take $10,000 from a big defense contractor, let the voters judge the motive of the gift and the propriety of accepting it. Another change, which would contribute mightily to the general goal of rebuilding the political parties, would be to give them a supplemental federal election fund that they could spend as they see fit on behalf of the national ticket. Nothing could do more to make the enfeebled party chairmen become figures of authority.

How the Word Spreads

Jefferson, who valued the press, could turn apoplectic when he considered the newspapers of his day. Said he: "The man who never looks into a newspaper is better informed than he who reads them, inasmuch as he who knows nothing is nearer the truth than he whose mind is filled with falsehoods and errors." Imagine what the sage of Monticello would have had to say about television. Today, in the perhaps hyperbolic words of Theodore White (*The Making of the President*), "television *is* the political process."

Though the myriad channels of cable TV may eventually provide greater exposure to aspirants on the political fringes, network TV has so far been and still remains the force that decides which candidate will be seen and heard and which will not be seen and heard. Though he speaks with the tongues of men and of angels and has not television, he is become as sounding brass or a tinkling cymbal, for it is television that beareth all things, believeth all things, hopeth all things. Says defeated Presidential Aspirant Jerry Brown: "If a person isn't on television, he is a political non-being. He does not exist for the voter, even if that voter meets him in person."

The problem with television's political omnipotence is that it turns issues into slogans. TV concentrates almost exclusively on confrontations, statement and counterstatement, all reduced to brief segments of video tape. TV also demands filmable ritual: the waving placards and red-white-and-blue streamers of the quadrennial conventions, celebrated with the ceremonial jollity of an Easter egg hunt perpetuated for children who have grown into sullen adolescence. When TV has finally crowned its Muppety candidates, it reaches for their purses. Of the $60 million in federal funds that Reagan and Carter spent to campaign against each other, more than half went to television. Overall, candidates for federal office spent an estimated $150 million on television in the 1980 campaign.

Although TV has come to dominate and manipulate U.S. politics, much the way it dominates sports and entertainment, the shrewdest politicians have found that it is perfectly possible to decipher the camera's needs and then take advantage of them. TV enables a politician to elude all the controls of party and policy and present himself directly to the people. "Television is a miracle that American society has never learned to manage," according to onetime CBS News President Fred Friendly, "and in its relationship to politics it has been permitted to run wild." There is certainly no reason to alter the First Amendment's declaration that the Government should impose no restrictions on the freedom of the press. There are two important aspects of political campaigning in the age of television, however, that would benefit by change:

PRIVATE COLLECTION

STANDARD STATION, 1963, BY EDWARD RUSCHA

• *The debates should become standard.* These suddenly sprouted in 1960 from nothing more substantial than John Kennedy's need to deflate a more experienced antagonist and Richard Nixon's misplaced confidence in his own debating skill. In the 20 years since, there have been two campaigns with debates and three without them. No rules have emerged except that whichever candidate feels stronger generally tries to avoid the confrontation, and that the League of Women Voters presides over whatever can be negotiated between the warring camps. Nonetheless, TV debates have become so important in the voters' final judgments that they should become a regular institution, with the ground rules made standard. The main goal of those rules should be to encourage real debate between the candidates rather than what the Rev. Theodore Hesburgh, president of the University of Notre Dame, calls "just people talking at each other." Hesburgh argues that "there should be a debate on foreign policy, on domestic policy, on governmental policy, on where we are going for the next four or five years. Each debate should have a subject and a moderator to make the candidates keep their feet to the fire and talk to each other." What if a front runner refused to risk such a challenge? The networks could simply give the time to his opponent(s), and let the absentee face the judgment of the public.

• *The candidates should get free air time.* Though the networks' news departments must remain independent in deciding what they want to broadcast, there is no immutable law that all political candidates must be charged thousands of dollars a minute to get their own views across. The air waves theoretically belong to the public and are only leased to broadcasters in exchange for a certain amount of public service. One such service should be the granting of some post-convention prime time free of charge, perhaps one hour a week for the presidential nominees, a shorter period for lesser candidates. If such free time were arranged, there should then be a limitation on the 30-second spots that blitz the voters as an election nears. It should be possible for stations to impose an arbitrary limit on the number of political commercials that last less than, say, two minutes.

The main obstacle to free air time is not network greed but Section 315 of the Federal Communications Act, which requires that equal time be granted to all candidates, no matter how obscure or absurd. Section 315 should be substantially revised—or junked.

WHITESTONE BRIDGE, 1940, BY R. CRAWFORD

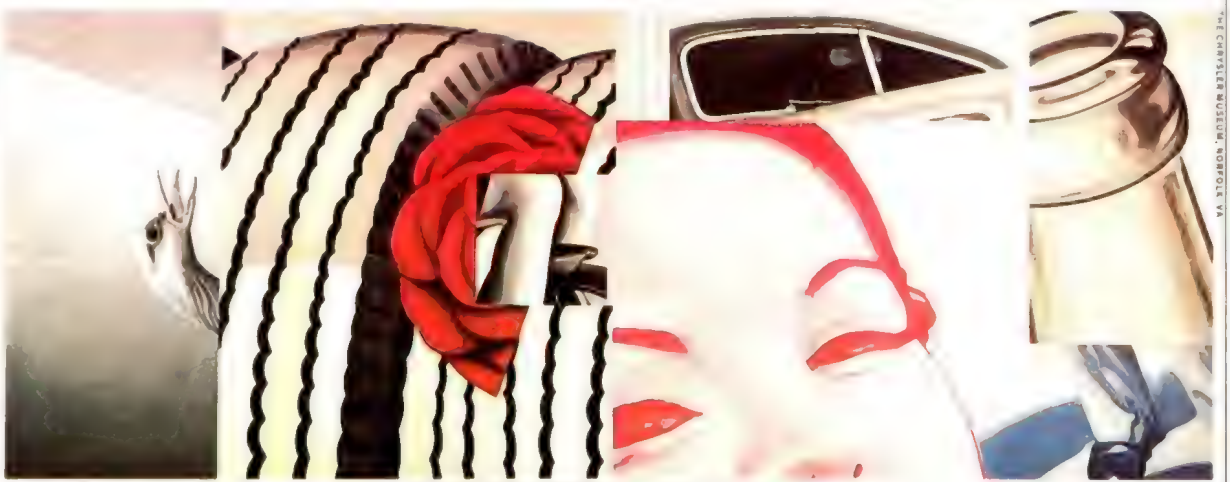
MEMORIAL ART GALLERY OF THE UNIVERSITY OF ROCHESTER, MARION STRATTON GOULD FUND

THE PITIFUL GIANT

The presidency begins with a grotesquely extended transition period, which was traditionally fixed at four months during the horse-and-buggy era, then cut to two months in 1933. It still leaves the country too long suspended over an abyss of uncertainty, and in this age of instant communication it should be cut by another month.

Finally, the victor takes the oath that he will "faithfully execute the office of the President of the United States," and soon discovers, if he has not previously guessed, that he has acquired an office that demands more than anyone can fully execute. The Constitution says vaguely that he is the holder of "the Executive power." More specifically, it says that he is the Commander in Chief of the armed forces, he can make treaties and otherwise deal with foreign nations, he can appoint federal judges and other officials, and in his relations with Congress, he shall "from time to time ... recommend to their consideration such measures as he shall judge necessary and expedient." Those were the days.

The President today is regarded as leader of the Free World, which means that he is expected not only to outwit the Soviets but to mediate between Arabs and Israelis and to provide shelter for Italian earthquake victims. As U.S. Chief of State, he must ceremoniously stand ready to greet the Queen of England or a visiting delegation of Boy Scouts. As Chief Executive, he must present to Congress and win approval of a complete legislative program, ranging from Wyoming water projects to Harlem hospitals. As national leader, he must formulate and win support of policies in areas he cannot in any sense control. He is expected to hold down prices, for example, and to fight crime in the streets. If the polls reflect a state of public disgruntlement, he is supposed to take charge of regruntling. Almost incidentally, he is also chief of his party, and his coattails are supposed to haul into office Congressmen and Governors he



SILVER SKIES, 1962, BY JAMES ROSENQUIST

CHRYSLER MUSEUM, NORFOLK, VA.

hardly knows. Finally, as a national symbol in a state that has been constitutionally separated from the church, he is a kind of custodian of the national morality; his views on divorce, marijuana or abortion both reflect and influence public behavior.

Part of this burden has accumulated under the eaves of the White House by tradition, some even by accident, but much more derives from a series of presidential requests and congressional assents. It was only in 1939 that the Executive Office was formally established (George Washington had a personal staff of 14; Carter had 437 in an Executive Office total of 1,780). Not until the Employment Act of 1946 was the President officially made responsible for prosperity and employment. The Bureau of the Budget was born inside the Treasury Department in 1921, moved to the White House in 1939, expanded into the Office of Management and Budget in 1970, and now boasts a payroll of 616. None of these major changes is enshrined in the Constitution or impervious to alteration.

The second discovery the President makes is that the most powerful office in the world has quite limited powers. Unlike any third-rate dictator, he cannot simply decree a tax increase or have an enemy arrested or even build himself a marble monument. His favorite programs can be talked to death in Congress, ignored by the federal bureaucracy or overturned by the judiciary. "The only power I've got is nuclear," Lyndon Johnson once complained, "and I can't use that!"

Because presidential powers are largely persuasive rather than coercive, because even the long levers of patronage work best when used discreetly, much of a President's effectiveness depends on his staff and his Cabinet. And —theoretically—on the Vice President. If the President is the world's most overburdened man, the Vice President is almost unemployed, his only constitutional duty being to preside decorously over the Senate.* The situation cries for a more equitable sharing of burdens. Gerald Ford, who has filled both jobs, publicly argued in TIME last November that the Vice President should be officially given all the powers of Chief of Staff.

Such relations cannot be legislated, however. While all reasonable reforms encounter unreasoning opposition, none is more vulnerable than the idea of giving the Vice President real authority. The President wants his Chief of Staff to be a man he viscerally trusts, likes, relies on; the Vice President, however, got on the ticket mainly because he represented constituencies different from the President's own. The best that the Vice President can realistically expect, therefore, is to serve his chief—as Mondale did Carter—in the capacity of senior adviser without portfolio.

The President, of course, should be able to organize his staff as he pleases, but that staff has grown so haphazardly in recent years that it sometimes interferes with good administration. Since Nixon's presidency, White House aides have from time to time usurped the function of Cabinet officers, congressional liaison aides have tried to dictate policy to the House and Senate instead of reasoning with them, and National Security Advisers have overshadowed Secretaries of State as architects of foreign policy.

Some needed reforms:

• *The White House staff should be reorganized.* The National Academy of Public Administration spent two years studying means of improving White House staff efficiency and last November issued an excellent report outlining not only reductions but a sensible reorganization. Instead of the present system of two main policy groups (domestic policy and national security), there should be three, devoted to domestic affairs, international affairs and economic affairs. The National Security Council, which, since the era of Henry Kissinger, has been tempted to become a rival State Department, should be reduced to a small interagency committee. Another major policy group should be devoted to long-term planning, a subject now customarily left to universities and think tanks until a sudden crisis reveals that the long term has arrived.

• *The White House staff should be reduced.* Four hundred are simply too many people to perform what should be the staff's basic functions: presenting the President with impartially organized information and seeing that his wishes are clearly communicated. Instead, the swollen staff tends both to insulate the President from the outside world and to attempt to make policy on his behalf. In addition, the White House staff has acquired unnecessary departments that exist primarily for the prestige of special interests. Examples: Hispanic Affairs, the Aging.

• *The Cabinet should be reorganized and given more authority.* The Cabinet originally consisted of only five men, the Secretaries of State, War and Treasury, Attorney General and Postmaster General, and several of these, notably Jefferson and Hamilton, saw themselves as future Presidents. Today the Cabinet numbers 17, and, as with the White House staff, several unnecessarily represent the demands of special interests for special attention (the foremost example, the Department of Education, was created mainly because teachers' unions wanted it). Since it is an iron law that committees lose effectiveness in inverse ratio to their size, the Cabinet's growth has helped turn it into a show-and-tell group that has little collective authority. Its lesser members have hardly any access to the President.

In 1971 a presidential commission headed by Litton Industries President Roy Ash recommended to Nixon that seven departments (Labor, Agriculture, Transportation, Interior, Commerce, HEW and HUD) be merged into four: Natural Resources, Human Resources, Economic Development and Community Development. The proposal was made at a time when the Democratic Congress felt resentful of Nixon's aggressive assertion of presidential powers, constitutional and otherwise. With the support of various lobbies, it balked at the changes. The Ash plan still has merit. Just as the armed forces are more coherently served by a Secretary of Defense than by rival Cabinet officers representing the Army, Navy and Air Force, the various economic interests represented by the seven departments (which grew to nine under Carter) would benefit by coordination. Indeed, the number of "superdepartments" might be reduced even further by merging Economic Development with Community Development.

COLLECTION OF MR. & MRS. BURTON TREMAINE, MERIDEN, CONN.

STRONG ARM, 1961, BY CLAES OLDENBURG

THE CAVE OF WINDS

Most efforts to rationalize or reform the workings of Government come to an end, of one sort or another, in the wilderness of Congress. It was here, and not in the presidency, that the authors of the Constitution established the basic powers of Government. When Andrew Jackson first stated the modern notion that he represented the people, ex-President John Quincy Adams, who had been elected to Congress, shouted back from the floor of the House: "No, *we* are the representatives of the people!" The Constitution gives Congress not only the basic authority to levy taxes

*And to think up derogatory descriptions of his own job. Thomas R. Marshall, Wilson's Vice President, was the most eloquent: "The Vice President is like a man in a cataleptic state; he cannot speak; he cannot move; he suffers no pain; and yet he is perfectly conscious of everything that is going on about him."

and make war but also the power to reorganize—or refuse to reorganize—both the Administration and itself.

Congress has repeatedly given away its powers to importunate Presidents, then tried to snatch them back. In the Gulf of Tonkin Resolution of 1964, it told Johnson he could take any action he chose in Southeast Asia; in the War Powers Act of 1973, it told Nixon that he could not use force anywhere without its approval. All congressional efforts to assert executive authority, however, run afoul of the fact that a bicameral legislature of 535 members has difficulty making up its collective mind, particularly in tricky questions of foreign policy. Individually, too, the legislators are often vulnerable to local pressures—an outcry from Greek constituents agitated about the Turks, or New England trawlermen worried about fishing boundaries off Canada.

As with the presidential election process, a series of liberal reforms has made the problem considerably worse. Twenty-five years ago when the seniority system was supreme, Congress was ruled by a coterie of committee chairmen, many of them Southern, most of them aged and conservative, all of them proudly determined to have their own way. For all its occasional abuses, this system gave Congress a certain coherence; the White House knew whom to deal with, and the legislative leaders could speak for the membership. Today the chairmen are named by the party caucus and have to answer to their committee members —and therefore have little authority over them. Another of the reforms, however, decreed that each committee should have at least four subcommittees with independent chairmen and independent staffs. Result: there were 210 separate legislative entities in the House last year; out of 334 Democratic members of the House and Senate, all but about two dozen were chairmen of something. A related problem: the congressional staffers, accountable to nobody outside their own committees, have nearly tripled, from 6,650 to 17,700, since 1960. Their powers have grown proportionately. Smart lobbyists know that it is often as important to cultivate these virtually unknown administrative assistants as the Senators and Congressmen for whom they work, for it is the assistants who formulate many of the measures placed before the harried legislature. (The total of bills passed by the last Congress: 736.)

All the myriad subcommittee chairmen nourish dreams of getting on television, for the reforms that have brought direct democracy to the presidential process have had no less effect on Congress. Every Congressman must root around in the cabbage patch to finance campaigns that can easily cost $1 million,* and members of the House have to run every two years—which means, in effect, campaigning continuously.

Having raised their own money and defined their own issues, the new legislators arrive in Washington with understandably little loyalty to a President or party leaders who contributed less to their victories than did the host of new political action committees unleashed by the campaign reforms. Indeed, the organization to which they pay the greatest heed may well be the lobby or pressure group back home that used its money and its mailing lists to provide the decisive votes—and may do so again within a year or so. "We've got a different kind of person in the House today," says Congressman David Obey of Wisconsin, chairman of the Democratic Study Group. "Members today won't tolerate discipline. Campaign funding is dispersed and decentralized. We're being eaten alive by the single-issue groups."

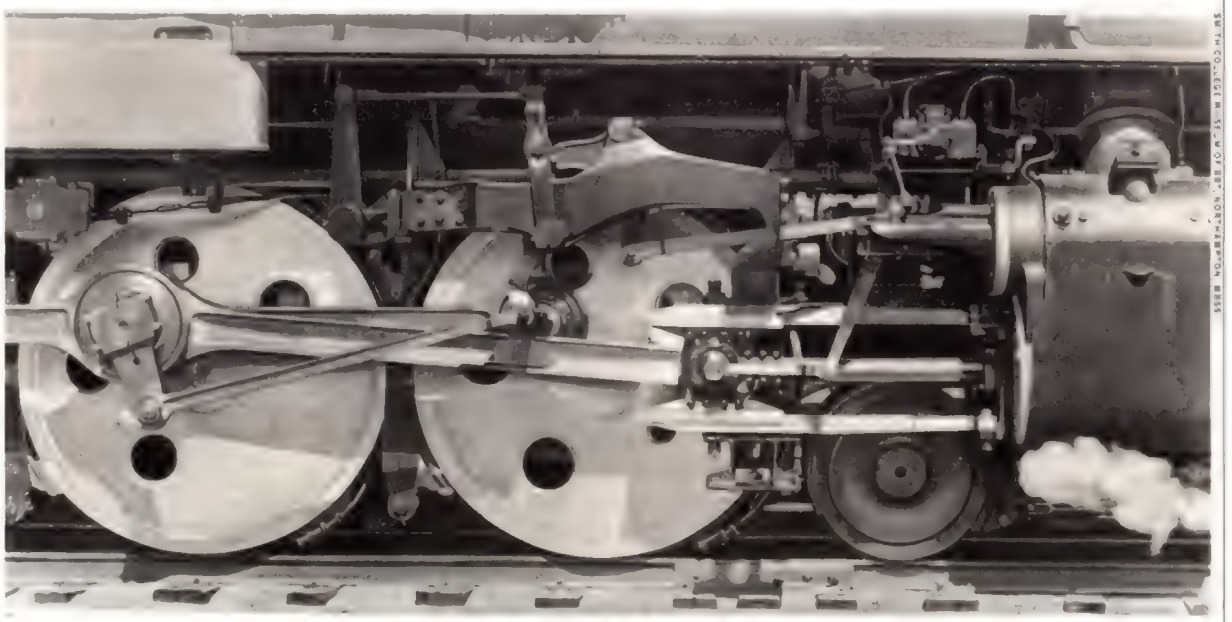
The consensus of congressional leaders is that neither the House nor the Senate has the stomach for undertaking any drastic revision of the recent reforms. Still, there is considerable agreement on some things that need changing:

• *Federal campaign funding should apply to congressional races.* All the arguments against fat-cat financing of presidential candidates apply much more strongly to congressional candidates. They have a harder time raising money and they are far more vulnerable to pressure groups. Federal financing seems a workable solution. And here, as in the presidential campaign, a portion of the federal funds should be funneled through the party organizations.

• *The leadership needs reinforcement.* House Speaker Tip O'Neill inherited some of the powers that once belonged to the committee chairmen, but throughout the Carter Administration he had a hard time mobilizing support for any presidential program. Here, too, the key question is money. The congressional leadership should have a strong say about how the parties reward cooperative Congressmen with federal campaign funds.

• *Procedures should be streamlined.* The number of autonomous subcommittees should be sharply reduced, and so should the size of congressional staffs. The Speaker should be given the authority to designate one committee as primarily responsible

*The most expensive campaigns last year: in the Senate, Indiana's Birch Bayh spent $2.8 million losing to Dan Quayle ($2.1 million); in the House, California's Robert Dornan spent $2 million to win re-election against Carey Peck ($500,000)



ROLLING POWER, 1939, BY CHARLES SHEELER

for a specific bill. Overlapping responsibilities (the classic example: 83 committees deal with energy bills) should be eliminated.

• *Congressmen should serve longer terms.* The Constitution makers were right in believing that the House should be closely responsive to the voters, and that the simplest way of assuring this was to have frequent elections. But the expense and effort of running for re-election are now so considerable that a term of four years instead of two is more reasonable. This would also help with another problem: Congress should plan further ahead so there is greater continuity of policy.

COUNTY POLITICS, 1973, BY THOMAS HART BENTON

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It can be argued that such a change in congressional terms, which would require a constitutional amendment, should be accompanied by a limitation on the number of terms a Congressman may serve. (A one-term limit was informally imposed during the 19th century and nearly forced Abraham Lincoln from office.) The advantage of this would be the end of the notion that Congress itself is a profession or lifelong vocation. But it is probably still wiser to let the voters decide when their Representative should be retired.

ONE STEP TOO FAR

In most discussions of governmental reform, there is usually at least one voice urging that the U.S. should abandon the superannuated mystique of the separation of powers and adopt some form of the parliamentary system. That view has been vigorously presented by Carter Counsel Lloyd Cutler. In a speech delivered to the University of Texas Law School and published in *Foreign Affairs*, Cutler argued that the U.S. President "does not have the power to legislate and execute his program," and that only the parliamentary system enables a victorious party to "form a government."

Under the parliamentary system, a prime minister is chosen by the majority party in the legislature, which must then support the most important elements in his program. If the parliament balks at supporting the prime minister, a new government must be formed, either from within the parliament or by a new election. That system makes both a prime minister and his political party clearly responsible for all governmental policies, and it gives voters a fairly clear choice of whether to support the government or change it.

Almost every constitutional democracy established since World War II, including those launched under American auspices, has relied on this model more than on the U.S. system. But these nations have all found, in due course, that the parliamentary system also has its problems: it tends to create unstable, multiparty coalitions, and thus a relatively weak executive; and it offers no mechanism for correcting the malfunctioning of parliament itself. The French, after a chaotic swirl of 26 powerless parliamentary Cabinets in 13 years, junked the Fourth Republic in order to create the more American-style "presidential regime" proposed by Charles de Gaulle. It is a hybrid of this type that Cutler suggests. Specifically, he offers as an agenda:

1) That the President and members of the House be elected to simultaneous four-year terms on an unsplittable ticket. This idea, which has been urged by Representative Jonathan Bingham of New York, would theoretically tie the legislators more closely to the winning President, but the benefits remain problematic.

2) That the President draw 50% of his Cabinet from Congress, and that these appointees retain their congressional seats. Having officials in both branches of Government, now forbidden by Article I, Section 6 of the Constitution, would "tend to increase the intimacy between the Executive and the legislature and add to their sense of collective responsibility." Dual service, however, would also split the loyalty and therefore the effectiveness of the Cabinet-Congressmen.

3) That the President be authorized to dissolve Congress once in his term, and call for new congressional elections. Congress similarly might be authorized to demand a mid-term presidential election. Either measure would greatly increase the instability of the system.

These suggestions have generally been regarded as impractical, both because of their nature and because of the number of constitutional amendments involved. The most fundamental objection, though, is to the parliamentary system itself, which works much better in a homogeneous state of moderate size than in a continental nation of increasing diversity. Congress, in particular, is so unwieldy that it is hardly in a position to take on increased executive responsibility, and presidential power needs to be reinforced, not vitiated. Basically, the road to improvement lies in making each branch work more effectively, not in blurring the distinctions between them.

A slightly less drastic step is the frequently heard proposal to limit the President to one six-year term. "No sooner does a President get into the White House than he begins thinking and acting for his re-election," says former Treasury Secretary William E. Simon, who is now engaged in a foundation study of presidential and congressional terms. "The net result of all this is to penalize the country as far as taking the tough decisions that will benefit the national interest." The argument is not persuasive. It is a misguided attempt to depoliticize the White House, to turn the President into a kind of civil servant, when the essence of governmental power is and should be political. More specifically, the question is: If a President is governing well, why force him out after just one term, and if he is doing poorly, why keep him in office for six years rather than four?

THE IMPERIAL JUDICIARY

Some critics blame a significant part of the Government's malfunctioning on the judiciary, which has assumed an ever increasing authority over the activities of the other two branches —and become seriously bogged down in the process. U.S. society itself has become phenomenally litigious; the case load of federal courts has doubled in the past ten years. Though litigants ask the Supreme Court to review more than 4,000 cases a year, the Justices have time for fewer than 200, and Chief Justice Warren Burger has repeatedly groaned under the burdens of the judicial office. Conservative critics often argue that the courts could easily reduce their work load by refusing to intervene in controversies that would be better left to the legislature to resolve. Indeed, there may soon be an ill-considered attempt in

FAREWELL TO NEW YORK—ALL THAT IS BEAUTIFUL, 1965, BY BEN SHAHN

Congress to bar Supreme Court intervention in several controversial issues like abortion and school prayers.

The conservatives' critique also challenges the Constitution's rule of lifelong appointments to the federal judiciary. Carter, they complain, appointed and left behind some 300 federal judges, many of them with liberal instincts, who may obstruct conservative measures that the voters and the Administration now favor. Liberals, on the other hand, worry about Reagan's prospective appointments to the Supreme Court. Would it then be wise to subject federal judges to reconfirmation every ten or 15 years? The best answer is no. In contrast to Presidents and Congressmen who are elected to express the popular will, the judiciary will continue to need its immunity from the pressures of electoral politics.

As to the charges of judicial usurpation, much of the trouble can be blamed on legislators who write vague, unfocused laws that the courts are forced to interpret. Says University of Chicago Law Professor Antonin Scalia: "Judges have to give content to empty bottles. Congress is willing to leave controversial questions up to the courts to decide, for an obvious reason: when you give legislation content, you lose votes back home." In Title VII of the Civil Rights Act, for example, Congress simply said that it is illegal for anyone to discriminate on the basis of sex; it took the Supreme Court to determine that it is discriminatory for a firm to charge women more for their pensions on the ground that they live longer, but not discriminatory for a firm to refuse to pay for pregnancy leaves.

THE RED-TAPE FACTORY

When the Constitution makers devised their system of checks and balances, they had no idea that a gigantic federal bureaucracy would some day check everything and balance very little. The bureaucracy today numbers 2.8 million people,* almost all of whom are protected by the civil service, so no President can really make them do what he wants. "Merit" raises went to 99% of the bureaucrats last year, and practically nobody got dismissed for incompetence, a procedure that until recently took anywhere up to two years of appeals at an average cost to the taxpayer of $100,000 per appeal. The bureaucrats are called upon to determine everything from the number of Hispanic teachers employed in the public schools of Waukegan, Ill., to the number of prongs in the electric plugs in a bakery in West Warwick, R.I. (the baker in that case had to spend $1,500 in legal fees to beat a $90 fine for violations of safety regulations). Americans will spend an estimated 1.2 billion hours this year filling out the 6,000 different kinds of federal forms. The cost of all the paperwork involved in Government regulations, according to an estimate worked out by Murray Weidenbaum, new chairman of President Reagan's Council of Economic Advisers, is on the order of $103 billion. The quantity of paper itself is numbing: 330,752 tons in a year, enough to produce a half-mile-wide carpet from New York to Los Angeles.

"Iron triangles" unite the special interests, the agencies assigned to regulate them and influential Congressmen in a joint effort to maintain or increase the federal largesse. Every cupful in the $119 million school milk program, for example, is watched over by a triangle of dairy lobbyists, official nutritionists and rural Congressmen, while similar triangles stand guard over the highway system, the pharmaceutical industry and the savings and loan associations. Three different federal agencies have three different programs for building sewers. It costs more than $625 million per year for the weather to be forecast by rival meteorologists of the National Weather Service, the Water and Power Resources Service and the Soil Conservation Service, plus the Army, Navy and Air Force. And although the vast majority of bureaucrats are conscientious workers, overstaffing and union protection have their effect. One example: the Department of Labor's contract with the American Federation of Government Employees includes an experimental "flexitime" program that allows some employees who work from 10 a.m. to 3 p.m. on Tuesdays through Thursdays to set the rest of their hours whenever they please. The agreement permits radios or even TV sets at the bureaucrats' desks.

Hardly anyone favors a return to the "spoils system" of the mid-19th century, when all officials were subject to removal after every election, Washington swarmed with ravenous job seekers, and a new President had to spend days picking new post-

*Or 12.4 per 1,000 citizens, *vs.* 4.2 in 1910.

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masters. Moreover, the bureaucrats can argue that they are simply doing what Congress asked them to do—and what needs to be done. Food and drug regulations arose from rotten meat, safety regulations from on-the-job accidents, and affirmative-action regulations from pervasive discrimination.

Still, good intentions have become encrusted with layers of sloth. One of Carter's least appreciated accomplishments was that he did begin to cut away those layers. Though the bureaucracy has grown by 15% in the past 20 years, it shrank by 40,000 full-time employees during Carter's Administration. Unfortunately, the loss was partly offset by the addition of 30,000 part-timers, and Carter did nothing to stem the growing use of outside consultants, who have descended on the bureaucracy with the enthusiasm of locusts; some 1,000 firms were paid at least $1 billion last year for various projects, including a study on why consultants are necessary. Reagan hopes to cut the consulting business substantially.

Carter created an elite corps of upper-level officials who agreed to give up civil service protection in exchange for a chance at performance bonuses of up to $20,000 a year. Some 1,000 such bonuses were handed out in 1980, and though it is too early to judge the effects, bureaucracy watchers are hopeful. Carter also made it easier to dismiss the incompetent. That increased the number of such dismissals from an incredible 119 in 1978 to 1,738 for the year ending last June 30. Reagan has indicated that he will shrink the bureaucracy by 200,000 more during the next four years. One can only wish him well.

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AMERICAN EAGLE, CA. 1825, BY ANONYMOUS WOODCARVER

Some areas where improvement can be made:

• *Cut and cut again.* Even Reagan's hopes of slashing the bureaucracy by 200,000 by 1985 represent a reduction of less than 8%. More can be done, despite civil service and union rules that now make cuts difficult and expensive. The normal turnover accounts for 300,000 jobs a year, and Reagan's temporary job freeze is leaving almost all of those unfilled. One proposal, by Charles Peters, editor of the *Washington Monthly*, is to exempt one-half of all replacements from civil service protection.

• *The President should be empowered to appoint more of his top aides.* At present, he can name only some 3,000 down to the fourth level (deputy assistant secretaries). That leaves many high-level officials who can and often do, in Jerry Ford's words, "mutilate" the President's programs. His power to hire and fire should extend down to the level of GS-13 (that is, the 93,327 officials at GS-14-18 who earn $37,871 to $51,012).

It may also prove necessary to loosen the stringent 1978 Ethics in Government Act—another case of perhaps overzealous reforms—which requires very detailed disclosure of assets, tightens the conflict-of-interest rules, and curbs any ex-official's doing work related to his Government post. During the recent transition, the first major test of the new rules, there were alarms that Reagan was having trouble recruiting the executives he wanted, and that departing Carter officials were finding themselves barred from good jobs. It is still too early to judge whether these worries are exaggerated, but measures to curb or control the bureaucracy should not be allowed to impede the recruitment of top officials.

• *Congress should give local governments more authority on how to spend federal grants.* In theory, Congress is wise to keep a skeptical eye on how its money is spent. In the past ten years, however, it has tacked on so many "mandates" to its 500-odd grant programs that local officials are all but straitjacketed. These mandates require that in any federal spending on such local problems as bridge repair and rat control, state and city officials must comply with all civil rights laws, ensure environmental protection, provide access to the handicapped, guarantee public participation in policy decisions and follow specific bookkeeping procedures. A University of California study once identified 1,257 separate mandates before giving up the search. New York City Mayor Edward Koch estimates that compliance with such rules will cost his city nearly $7 billion during the next four years. Yet a federal commission reported that it was "fanciful" to believe that this body of rules "protects the interests of the needy or equalizes levels of public services."

What is basically needed is a reassertion of local self-determination and local control. This involves not only states but groups of states. Says Harvard Sociologist Daniel Bell: "We're moving in a very fumbling way toward forms of regional government, organizing around issues such as water and energy supplies, with a number of moves including bistate compacts and regional organizations." The National Governors' Association told Carter two years ago that the Governors would support a 10% cut in grants if they could spend the money with fewer federal mandates, and Carter agreed, but Congress balked at any alteration. Last summer the Governors renewed their request for increased local financial control. They also asked for a realignment of political responsibilities to avoid overlapping. For example, the Federal Government could assume full responsibility for welfare, Medicaid and unemployment insurance while the states could assume full responsibility for education, libraries, police and fire protection. The Governors deserve support on both counts.

• *"Sunset laws" should be enacted and enforced.* Bureaucracies develop a prehensile ability to cling to life even after their work is done. Example: the Rural Electrification Administration was set up in 1935 as an emergency relief program to bring electricity to the American farm. Today more than 99% of farms are electrified, but the REA still has 740 people spending a budget of $29 million. Sunset laws would force the regular review and occasional closing of increasingly unneeded agencies. A sunset bill died in the last Congress, but a new version will be introduced this year.

Now Hear This

Would such a cornucopia of improvements really make the U.S. Government function like a sparkling new Piaget watch? Hardly. Presidents and Congressmen are not robots, after all, and democratic politics remains an untidy business of give and take, of consultations and hunches, of gradual movement toward goals only partly perceived. The wisest utopia builders, moreover, have a saving sense of their own fallibility. Says one of them: "There is an old line from Moon Mullins that you want results and you get consequences."

There is always a risk that the reforms proposed by TIME will lead to unforeseeable new problems. Nonetheless, the American system must be made to work better. It is all too easy to rely on the old saying that God watches out for children, drunks and the United States. The pledge undertaken at the start of the Constitution was not just to blunder along and hope for the best but to establish justice, ensure domestic tranquillity and promote the general welfare. Those are tasks not easily fulfilled, but there can be no renewal of America unless the American people organize and exert the pressure needed to ensure that their Government itself is renewed. —*By Otto Friedrich. Reported by Neil MacNeil and John F. Stacks/Washington*

To Rebuild the Image

Needed: a consistent foreign policy—and muscle

When Americans look abroad they tend to see enemy territory. When they look ahead, they tend to see bad times and bad situations getting worse. The confidence and optimism that marked America a generation ago have given way to anger and apprehension often bordering on fear. In short, one of the most serious problems affecting U.S. foreign and defense policy these days is the national mood.

To some extent, the anxiety is understandable and justified. America's potential enemies—most significantly the Soviet Union—are stronger and bolder than ever before. America's friendships, meanwhile, are increasingly strained, its alliances increasingly divided. The U.N. General Assembly and some other international forums are dominated by supposedly neutral nations that ritually criticize U.S. policies and reject U.S.-sponsored initiatives. Pro-Western regimes in the Third World appear vulnerable to revolt and subversion. The U.S., and to a far greater extent its allies in Western Europe and Japan, depend for their very survival as economic powers on oil supplies from one of the most flammable regions on earth—the Arabian peninsula and the Persian Gulf.

Americans rejoiced in the Inauguration Day liberation of the 52 hostages from the U.S. embassy in Tehran. Nonetheless, Iran threatens to succeed Viet Nam as a symbol of American frustration and impotence. American diplomatic support and military backing could not prevent the fall of the Shah, who for decades seemed the paragon of a U.S. friend overseas. Then came the humiliation of the embassy seizure, the burning of American flags, the ritual chanting of "Death to the great satan!" by mullah-led mobs. Recent years have spawned an array of forces seemingly inimical to American interests, ranging from the extortionist pricing policies of OPEC to xenophobic Islamic fundamentalism. Iran, in a peculiarly ugly way, has managed to represent both.

In its attempts to deal with a more hostile and dangerous world, the U.S. has found that the assumptions, ideals, doctrines and instrumentalities on which it relied for decades to protect and advance its interests no longer seem to work very well —if at all. American diplomatic efforts, with few exceptions, have ended in frustration. Henry Kissinger's attempt to negotiate "peace with honor" in Viet Nam produced neither peace for Indochina nor honor for the U.S. (in part, because Congress blocked him on some key issues). The Camp David peace accords, one of President Jimmy Carter's few foreign policy achievements, have foundered on Israel's refusal to consider an agreement that would provide real autonomy for the Palestinians of the West Bank and Gaza.

The impression of impotence has been reinforced by evidence of military weakness. The U.S. is ill-prepared to fight a conventional war. It has not even demonstrated a capacity to conduct a successful rescue mission—as pictures of the burning helicopters and charred bodies at Desert One last April so shatteringly illustrated. Rhetoric about military preparedness has tended to accentuate the problems. By proclaiming the Carter Doctrine, which committed the U.S. to meet Soviet aggression in the Persian Gulf area with force if necessary, the former President unwittingly raised the question of whether the U.S. had the military means to make good on that commitment. The answer, at present, is almost surely no.

Twenty-five years ago, when U.S. supremacy was unquestioned, one obstacle to clear thinking on foreign policy issues was complacency. The danger today is the opposite: excessive, obsessive pessimism. As a point of simple fact, the U.S., by every nonmilitary measurement, still far outstrips the U.S.S.R. as a superpower. America's gross national product is twice the size of the Soviet Union's; its standard of living is far higher; it is the world's pre-eminent producer and exporter of food; its magnetism for would-be immigrants, particularly from Communist lands, is stronger than ever; as the awards of Nobel prizes annually prove, the U.S. continues to lead the world in everything from computer technology to medical research to the exploration of the solar system.

Legitimate American worries about Soviet military might and Soviet aggressiveness tend to obscure the reality that the U.S.S.R. has major problems of its own. It has a rigid, inefficient economic system that simply does not work and a sclerotic, unimaginative leadership tied to an ideology that carries neither resonance nor conviction. The Kremlin leaders face growing restlessness in the East bloc as well as a long-term challenge from the non-Russian, predominantly Muslim minorities of the Soviet republics in Central Asia.

In short, the years ahead will offer opportunities as well as risks for the U.S., and a revitalized foreign and defense policy must take account of both. TIME offers a series of propositions for such a policy.

The first priority of American foreign policy is to restore a *modus vivendi* in U.S.-Soviet relations, which means restoring the military balance.

For the past two decades, the Kremlin leaders have been amassing arms in all categories—conventional and nuclear, short-range and intercontinental, undersea and airborne. They have built up the capability of waging everything from counterinsurgency warfare and paramilitary operations to blitzkriegs and nuclear Armageddons. The arsenal is out of all proportion to the Soviets' legitimate needs of self-defense.

Strategic parity—that is, a rough equality between the superpowers in long-range nuclear weaponry—still exists. The U.S. is ahead in the number of missile warheads, heavy bombers and bases around the periphery of the U.S.S.R., and has a technological edge in antisubmarine warfare and missile-firing submarines. These offset Soviet advantages in the number and size of land-based intercontinental ballistic missiles (ICBMs).

In this matter, the U.S. must learn to live with parity. Whether America likes it or not, Leonid Brezhnev is quite correct in describing any U.S. quest for nuclear supremacy as misguided. The U.S. cannot get there from here—not against a Soviet Union that is ready and able to match America in any kind of arms race. Even though the U.S. has a far stronger economy, the Soviet political system is better able to dictate—and absorb—the civilian sacrifices necessary to support a huge military machine. While it is impossible to predict the exact composition and policies of the Politburo that will eventually take over from the gerontocracy that currently runs the Kremlin, there is every reason to expect that the younger men lurking in the background, waiting for the actuarial tables to open the top jobs, are

Patriotic pride: workers at New Hampshire textile factory display mammoth flag during World War I

just as committed as their elders to guns over butter.

Preserving parity will be difficult enough. The balance of strategic forces is already being eroded, principally by the U.S.S.R.'s ongoing ICBM buildup. For some years Western experts have been concerned that the land-based portion of the American strategic deterrent—1,052 Minuteman and Titan II missiles in underground silos—might soon be susceptible to a surprise first strike by the Soviet Union's own increasingly accurate, destructive and numerous land-based warheads. Such a pre-emptive blow, if successful, would seriously weaken the ability of the U.S. to retaliate with ICBMs against Soviet military targets. The worry is this: faced with the awful choice of responding with an attack against Soviet cities—thereby inviting a Soviet "second strike" against U.S. cities—an American President might decide to capitulate instead. Whether a Soviet leader would ever take the gamble of trying to paralyze the U.S. in this way is almost beside the point. Perceptions, especially those about credibility, are the essence of deterrence.

SALT II is in the best interest of the U.S.

The SALT agreements on offensive weapons, signed in 1972 and 1979, set modest but helpful bounds on the strategic arms race and high but still useful ceilings on the number of missile launchers and warheads that the Soviets could deploy. The agreements also establish some important rules for verification—that is, the ability of each side to monitor the testing and deployment of the other side's most dangerous weapons. SALT I expired 3½ years ago, and SALT II has not been ratified—a victim both of mismanagement by the Carter Administration and of senatorial anger over Soviet intervention in Africa and Afghanistan.

The Reagan Administration is considering whether to renegotiate SALT II in a way that will allow it to replace Carter's imprimatur with its own or whether to let it die. It should definitely try to revive the treaty, and the less renegotiation the better, since the agreement as it stands represents a sound compromise. The treaty would not, as some critics have charged, lock the U.S. into a position of inferiority. There are things in SALT II that the U.S. does not like. There are things in it that the Soviets do not like. SALT II, among its other advantages, imposes realistic constraints on the most threatening Soviet weapons, ICBMs with multiple warheads. These Soviet MIRVed ICBMs represent the cutting edge of the strategic nuclear challenge to the U.S. since their warheads might render the American deterrent vulnerable to a pre-emptive strike, at least in the calculations of many defense planners. The treaty, moreover, does not prevent the U.S. from developing and deploying new weapons that will be necessary to keep pace with the Soviets. If the U.S. tries to extract too many additional concessions from the Soviets, it is all but certain to jeopardize the useful rules and limits already established.

Despite SALT II's relegation to legislative limbo, both sides are still abiding by its main provisions, as well as those of SALT I. The Reagan Administration should quickly seek to extend this informal adherence until new negotiations get under way. Reason: before the U.S. could decide how to cope with the total collapse of the SALT ceilings, the Soviets could easily increase both the number of launchers and the number of warheads per missile, thus tripling the present threat against Minuteman.

With or without SALT II, America's nuclear deterrent must be made less vulnerable to Soviet attack.

As part of its effort to make SALT II politically palatable, the Carter Administration ordered the development of the mobile MX, a ten-warhead successor to the three-warhead Minuteman, which would move around in a giant shell game to foil Soviet targeting. The trouble with MX is its mobile-basing mode. The system is hugely expensive (possibly as much as $100 billion) and

terribly destructive of both the natural and social environment in which it would exist. More troublesome still are its military ramifications. If the U.S. goes ahead with a mobile MX, the Soviets may try to disguise the location of their big missiles. Additional uncertainty about the monitoring of Soviet missiles would compound American anxieties about the vulnerability of the U.S. land-based missile system.

There are cheaper, more sensible alternatives. One would be a stationary MX. Because the missile has more warheads than the Minuteman, fewer would have to survive a surprise attack for the U.S. to retaliate with "assured destruction" of Soviet military targets. Another possibility is to rely more on submarines, which are virtually invulnerable to pre-emptive strikes, and on aircraft (including perhaps a new supersonic bomber), which can scramble quickly the moment that the U.S. appears to be under attack. Because of improvements in satellite-guidance systems for submarine-launched ballistic missiles and in the technology of slow, low-flying, hard-to-detect and exceedingly accurate cruise missiles, the U.S. is approaching the point where it need not rely quite so much on its land-based missiles in order to maintain a credible deterrent.

As yet another option for protecting American ICBMs, the U.S. could resurrect and expand an antiballistic missile (ABM) system. The 1972 treaty limiting ABMs—the only strategic arms limitation agreement that is still formally in force—might be renegotiated so as to permit selective ABM protection of U.S. missile silos. Tampering with the present ABM treaty, however, should be considered strictly as a last resort. If such renegotiation of the 1972 treaty failed, the result might be an ABM race. That would surely accelerate the ICBM competition. It is only logical that more and better offensive weapons would be necessary to penetrate more and better defenses. It would also increase the hair-trigger mentality on both sides.

MARK MEYER

Threatened deterrent: Minuteman launch in California

The U.S. must narrow the Soviet lead in medium-range nuclear weapons and in conventional forces.

These are gaps of potential utility to the Kremlin in crises far easier to imagine than a direct Soviet-American nuclear showdown. The Soviets' 3-to-1 superiority in tactical nuclear weapons in Europe could help the Kremlin bluff and bully the West Europeans. Therefore the U.S. should devote more of its strained defense budget to improving the ability of America's allies to counter a new generation of mobile Soviet missiles.

In purely military terms, it would make sense to consider development of the neutron bomb. Opponents of this highly effective tactical weapon claim it is more "immoral" than other nuclear bombs, partly because it can kill people without destroying buildings or vehicles, and partly because it is easy to use. The accusations do not make sense, since the weapons might actually help deter a Soviet armored blitz against Western Europe and thus diminish the danger of war. The real problem with the neutron bomb is essentially political: because of internal opposition in a number of European countries to the stationing of new U.S. weapons on their soil, the key NATO allies are likely to continue to resist deployment of the neutron bomb.

Most critical of all is the Soviet conventional buildup. Not only has the U.S.S.R. acquired a lead of 50,000 to 10,900 over the U.S. in tanks, 62,000 to 22,000 in armored fighting vehicles and 3.6 million to the U.S.'s 2 million in men under arms, it has also developed an air- and sea-lift capacity to project its forces around the globe. This Soviet superiority must be countered by a substantial buildup of U.S. conventional forces *(see box)*.

The U.S. should have a greater capacity to react against Soviet-inspired subversion, which means removing some restraints on covert action by the Central Intelligence Agency.

The sinister handmaiden of Soviet military adventurism has been covert action and mischief-making by proxy. There are widespread reports, for example, that the Soviets encouraged Libya's Muammar Gaddafi in his recent annexation of the central African nation of Chad. Libya has long been a conduit for Soviet arms to the Palestine Liberation Organization, as well as revolutionary groups in the Philippines, Chile and Turkey. Congress should repeal or amend legislation that limits the ability of the CIA to conduct clandestine operations abroad.

As long as the Soviets countenance aggression by their surrogates, there is no reason why the U.S. should be hindered in helping to supply the guerrilla groups in Afghanistan and the non-Communist resistance to the Vietnamese-backed regime in Cambodia. Soviet planners, poring over their maps in search of targets of opportunity, should have to reckon with the likelihood that the MiGs they have supplied to some would-be invader will encounter U.S.-made surface-to-air missiles. Moscow's cloak-and-dagger agents, bagmen and propagandists should also have to contend with American operatives trying to organize pro-Western political forces. When that day comes, Thailand will be less likely to go the way of Cambodia, Niger the way of Chad, or Oman the way of South Yemen.

Clearly stated declarations of U.S. commitments and vital interests would inject some uncertainty—and possibly some additional caution—into Soviet calculations.

Recent expansions of Soviet power have flagrantly jeopardized Western interests and intimidated Western friends in many re-

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gions. What is equally significant, though far less noticed, is that none of those interventions has risked a direct confrontation with the U.S. In every instance, the Soviets have moved where they were sure they would not encounter American forces or hit an American trip wire. Thus Soviet adventurism has confirmed, somewhat paradoxically, that the old men in the Kremlin are still conservative, even when throwing their weight around the world. They are willing to weather diplomatic outrage and embargoes and sanctions, but they do not want to tangle with the U.S. militarily.

Soviet strategy has been, and will probably continue to be, brazen and brutal. But it has not been, and probably will not be, reckless. In picking their targets, the Kremlin leaders chose nations that the U.S. had somehow defined as outside its area of national interest. Congress did so explicitly in the case of Angola in 1975; the Carter Administration did much the same with Ethiopia; poor Afghanistan was effectively conceded to eventual Soviet domination as far back as the '50s, when Secretary of State John Foster Dulles left it sandwiched between the U.S.S.R. and the now defunct Central Treaty Organization.

Détente needs to be redefined and rebuilt.

While the Soviet military challenge has to be met with better military deterrence, the broader, longer-range Western response must be political as well. Soviet expansion has been made possible by an increased military capacity, but it is also the result of a breakdown in the relationship known as détente. As a political slogan, détente is discredited—probably forever. One problem was that it fostered unrealistic expectations, even euphoria, about the possibilities for Soviet-American friendship. But as a concept, détente has indisputable validity. The word means nothing more controversial than the reduction of tensions between nations in order to reduce the danger of war. Each superpower may have the penultimate goal of defeating the other, but the shared, ultimate goal of both is to survive. (French President Valéry Giscard d'Estaing, from whose language détente was borrowed, has proposed "stability" as an alternative.)

Détente also implies that the U.S. and its allies can use their economic leverage. Because of the inherent weakness of the Soviet economy, the West can offer deals to induce restraint and, where possible, cooperation by the U.S.S.R. Détente worked between 1969 and 1973, producing modest but tangible results in trade, arms control and emigration from the U.S.S.R. and occasionally some political accommodation as well. One small example: in 1972 the Kremlin leaders did not cancel a summit meeting with Richard Nixon, even though he had just ordered bombing raids on Haiphong harbor in which Soviet ships were damaged. Soviet intentions then were no more benign and altruistic than they are now. But the Kremlin was willing to play by a few limited rules in order to get American grain, technology and financial credits.

The beginning of the end for détente came in 1974, when Democratic Senator Henry Jackson of Washington championed legislation making freer Jewish emigration from the U.S.S.R. a precondition for tariff concessions on Soviet exports to the U.S. The Kremlin leaders complained, with justification, that this heavyhanded attempt to link economic rewards with exit visas constituted interference in their internal affairs. This kind of explicit, narrowly defined "linkage" tends always to stiffen Soviet backs. Linkage must be an underlying factor in the calculations on both sides rather than a stark equation by itself, such as the formula that freer emigration would equal freer trade, or that a Soviet pullout from Afghanistan would equal ratification of SALT. In other words, both carrots and sticks are necessary in dealing with the Soviet Union.

Détente—and linkage—broke down primarily because of Soviet excesses but also because some promised American carrots were not delivered. (For example, Congress overrode the Nixon Administration's recommendation on most-favored-nation trading status for the U.S.S.R.) When American inducements were made less tempting to the Kremlin, many of the same benefits became available elsewhere—technology from Japan, grain from Argentina, electronic products and computer equipment from France. Today Soviet officials say privately that the Politburo's decision to step up its African activities in 1975 was made easier by the fiasco over the Jackson Amendment, and that the decision to invade Afghanistan in December 1979 was made easier by the fact that SALT II already seemed doomed in the Senate.

Bold strength: Brezhnev with Defense Minister Dmitri Ustinov

Since Afghanistan, the U.S. has pretty much thrown away its carrots—SALT, grain sales, cultural exchanges, etc.—and resorted exclusively to waving sticks (and not very big ones at that). President Reagan has expressed a preference for open, Jackson-style, *quid pro quo* linkage. Henry Kissinger criticized this approach in the mid-'70s, but has now endorsed the Administration's position. He was right the first time.

The U.S. should take the lead in trying to restore détente.

Bringing tensions between the superpowers back under control is a challenge to American policy that carries with it an unavoidable inequity. Because of the Soviet Union's interventions in Africa and Afghanistan, its saber rattling in Eastern Europe, its support for Vietnamese aggression in Southeast Asia, and its menacing buildup in nuclear and conventional weaponry, the U.S.S.R. is largely responsible for the crisis in East-West relations. Yet if the U.S. waits for the Kremlin to make the first move in getting the relationship back on track, and especially on the right terms, it may well have to wait much longer than it wants to or should have to.

The sophisticated qualities necessary for the prudent exercise of power and intelligent management of international relations—notably moral authority, self-confidence, respect for the rule of law, and political finesse—are stunted in the Soviet system and psychology. The present downward spiral of mutual mistrust and recrimination will clearly not lead to an inevitable nuclear apocalypse, but it can do a lot of damage just the same. It increases the difficulties and dangers involved in virtually every other international problem the U.S. faces. It thus follows that after a suitable interval the U.S. should take the initiative in statesmanship with the U.S.S.R.—not, certainly, to make concessions but as a pragmatic first step in its own self-interest.

The most obvious and appropriate area for the U.S. to make the first move in restoring détente is also both controversial and politically difficult: arms control. Jimmy Carter tried but failed to protect SALT from becoming a hostage to the overall climate of the superpower relationship. That failure resulted partly from the widespread impression that he naively viewed arms

Needed: Money, Ships, Pilots—and the Draft

It is painful but true. The U.S. armed forces have been neglected to the point that their very ability to defend the nation's interests is in jeopardy. There are two basic remedies: a lot more money and a revival of the draft.

The Chairman of the Joint Chiefs of Staff last month appeared before the Senate Armed Services Committee to speak about the military's readiness to combat the Soviets. General David C. Jones said that in certain areas of the world the Soviets have "substantial advantages." The Chief of Naval Operations, Admiral Thomas B. Hayward, described the Carter-proposed 1982 budget as "wholly inadequate." Such growls are a traditional feature of the budget process, but this time the military commanders are right. The U.S. armed forces today are undermanned, underequipped and underpaid.

The most urgent problem does not concern the strategic weapons of Armageddon. There the U.S. has a rough parity with the Soviets and seems ready to respond to any vulnerability that might arise. But there now are critical shortages of all the more commonplace weapons that are essential to the kind of conflict that is most likely to occur: some sudden clash with the Soviets or their proxies on the borders of Central Europe, in the Persian Gulf or in the Middle East.

Of the Air Force's 3,813 tactical aircraft, for example, between 26% and 48% on any given day are "not mission capable." One reason: a spare-parts shortage so severe that some planes are simply cannibalized to keep others in action. The U.S. Army has only about half the trucks it needs. The Navy now has 456 warships (down from 702 in 1972), and says it needs 600. That would provide for three new carrier battle groups, in addition to the present twelve, which would allow the U.S. to maintain a permanent presence in the Indian Ocean, the Mediterranean and the western Pacific.

Equally alarming is the steady loss of skilled and experienced soldiers and technicians. The Air Force is short 1,650 pilots (the retention rate for Navy pilots has dropped from 62% in 1977 to 31% in 1979). The Army still has its 16 authorized divisions, but the ten based in the continental U.S. are understrength, and a confidential Army report rated six of them as "non-combat ready." Overall, the Navy is short 20,000 petty officers, the Army 7,000 NCOs. One of the most important military requirements is the capacity to airlift combat troops to a crisis area, but the Rapid Deployment Force established by President Carter last March cannot begin to deploy rapidly. It lacks airlift and sealift capability and even such basics as adequate communications gear. Its command function is mired in a jurisdictional dispute between the Army and the Marine Corps.

For years the basic problems of military supply and maintenance have been neglected. Congressmen prefer to vote funds for expensive new weaponry that provides jobs for key defense industries back home, rather than put the same money into something as mundane—but vital—as maintenance. It has also proved easier to get funds for designing ever more sophisticated weapons than to increase the supply of prosaic ones.

Nearly eight years ago, the U.S. embarked on an ambitious experiment: to maintain a superpower military force composed entirely of volunteers. The experiment has not worked well. The racial balance does not reflect that of the nation; the percentage of blacks has risen from 18% to 33%. Since 1973 nearly 40% of the Army's recruits have not finished high school. Many commanders argue that the Army can and does provide poorly educated recruits with valuable skills. Although General Jones told the Senate Armed Services Committee that the all-volunteer force "could be made to work," he said he feared that it might become "a 'volunteer' armed force peopled by economic conscripts—and ones without the discipline, aptitudes or cohesiveness needed for a modern global strategy."

For a number of reasons, it seems time to conclude that the all-volunteer force is not a success, and that the draft, abandoned in 1973, should be restored. TIME proposes the following guidelines for a new draft.

- Military service should last two years, starting either at age 18 or upon graduation from high school. The number to be drafted each year would depend on the needs of the armed forces. At present those needs total 350,000 per year. While enlistments currently fulfill about 99% of the Army's quota, a draft would provide it with a more representative cross-section. The pool of males available in that age group is 2.1 million. Women would be exempt.
- The selection would be by lottery a year before service was to begin. Anyone not chosen would be exempt from any further call except in a case of national emergency.
- There would be no exemptions from the lottery except for crippling illness. Anyone drafted but considered physically unfit for combat training would be assigned to noncombat duties. Conscientious objectors would be conscripted for a form of nonmilitary service.
- Draftees would be paid substantially less than long-term volunteers.
- The G.I. Bill of Rights, abandoned in 1976, would be revived to provide substantial educational payments or equivalent insurance benefits.

The draft and the revived G.I. Bill would remedy some of the problems in recruiting, but would not help solve a quite different manpower problem: the diminishing ability of the armed forces to retain their essential core of middle-level noncommissioned officers, officers and technicians. A pilot, whose six years of training can cost as much as $1 million, earns only $24,000 a year on reaching the rank of captain. A senior captain with a commercial airline can easily earn more than twice that much.

Eight years ago, salaries in the service and civilian life were much closer than they are today. But military pay increases and fringe benefits have lagged behind increases in civilian pay and the cost of living. By 1978, enlisted pay had declined 7.4% in real dollars, and the trend has continued since. Last year the Government provided an 11.7% military pay increase, but that was more than canceled by 12.4% inflation. All branches of the services are struggling to find ways to retain NCOs: bigger re-enlistment bonuses, better housing allowances, better discipline and *esprit de corps*. One attractive idea being discussed: permitting a career soldier to transfer his present education benefits to his own children or spouse. All told, the cost of needed pay increases and benefits is estimated at $4.4 billion for this year.

Any effort to restore the strength of the armed forces will be very costly. The Pentagon received $160 billion last year, and Carter asked for $171.2 billion for fiscal 1981. (Estimated Soviet military spending this year is the equivalent of $225 billion.) Reagan aides are talking of increasing Carter's 1982 request from $194.6 billion to $220 billion—even as they consider slicing $50 billion out of spending on nonmilitary programs. Finding the right amount to invest in America's security will be one of the most difficult budget questions facing the Reagan Administration and Congress. But just as difficult will be the question of how to spend that money wisely.

control as an enterprise distinct from—and more righteous than—defense and national security. As long as the arms controllers stereotype themselves as peace-loving good guys *vs.* the warmongering bad guys of the Pentagon, the good guys will come in last—especially in the present atmosphere of Soviet-American relations. The Reagan Administration has an opportunity to integrate arms control with American defense needs, but that will require flexibility and compromises on the part of both rearmers and disarmers.

Restoring détente will help rebuild the Western alliances.
Now more than ever, the U.S. needs the help of its allies in the complicated task of reinforcing Western security. It needs the British and the West Germans to shoulder more of the defense of Europe, so that the U.S. can concentrate on the Persian Gulf and other far-flung trouble spots. It needs French help in combatting the Libyans and other international muggers in sub-Saharan Africa. It needs the Japanese to assist in shoring up the security of the Pacific. These alliances are already strained, and there is plenty of blame to go around. American leadership has been erratic; the West Europeans in general have been excessively parochial; the French in particular have enjoyed the protection of NATO without active participation. There have been divergent approaches plus failures of communication and coordination on a lengthy agenda of what should be common concerns, from Middle East diplomacy to the north-south dialogue, and most importantly on the collective response to the Soviet threat. The West Europeans and Japanese do not want the new cold war in Soviet-American relations to increase because they are caught, politically and geographically, in the middle.

More specifically, they want the U.S. to keep SALT going, both as part of détente and as the bellwether for a variety of other, multilateral negotiations in which they are directly involved. For example, the British are party to the comprehensive test-ban talks in Geneva, and the West Germans have a key interest in the prospective negotiations on theater nuclear forces. As a result, the West Europeans have imposed a bit of linkage of their own. They have said they will cooperate with the U.S. in upgrading NATO's nuclear defenses only if the U.S. simultaneously pursues arms control agreements. Hard-liners in the Reagan Administration may smell a scent of blackmail there, yet the hard fact remains that the U.S. could restore a much needed degree of transatlantic calm if its fair-weather allies were not quite so nervously eyeing the thunderheads over Soviet-American relations. With calm restored, the U.S. might then be able to reassert the strong leadership and the discipline within the alliance that will be necessary the next time trouble brews between East and West.

The U.S. should look for ways to play on Soviet vulnerabilities, particularly in Eastern Europe and China, in order to discourage Moscow's expansionism elsewhere.
To pursue adventurist policies on a global scale, the Kremlin leadership needs stability and security within the Soviet bloc; it also requires that all be quiet along the eastern front with China. It was by no means coincidental that the Soviets were receptive to the Nixon-Kissinger initiatives for détente in 1969; that year the Soviets were fighting on the border with China. Similarly, Brezhnev would like, if possible, to defuse Soviet-American antagonisms now, because a military invasion of Poland, at a time when heightened East-West tensions are still crackling in the air, could lead to a spreading of the conflict beyond Polish borders.

The decade ahead may see the U.S.S.R. increasingly preoccupied with suppressing unrest in the East bloc while coping with mounting Chinese obstreperousness. Together, these two preoccupations could generate a kind of self-containment. The diplomatic trick for the U.S. will be to keep the pressure on the U.S.S.R. from both directions without provoking the Soviets into attempting to eliminate the pressure points altogether.

In Eastern Europe, the U.S. and its allies should, quite literally, try to buy time for the various reformist forces there. That means providing trade deals and even loans to the beleaguered governments—with as many strings as possible attached to prod state banks and planning agencies toward stricter accounting and sounder spending policies. Obviously, the Soviet Union will not allow its satellites to go into receivership with the West. But given its own shrinking ability to help Eastern Europe economically, the U.S.S.R. has no choice but to permit more Western involvement than it has in the past. Naturally, the West is under no obligation to bail the Soviets out of the mess they have made of the East bloc economies. But such assistance from the capitalist world might then encourage those satellite regimes to rely more and more on Western economic help as time passes. As they do, they may be more tempted to try some Western remedies, such as free-market incentives and decentralized management, as cures for their own internal economic problems.

Vigilance aloft: U.S. F-4 Phantom on patrol

Even if the independent unions survive in Poland, they are likely to be quarantined there. If, however, labor unrest does arise elsewhere in the East bloc, the U.S. Government and responsible private organizations like the AFL-CIO should resist the temptation to cheer on the strikers too loudly. That would not only fan Soviet paranoia but would also help the Soviets justify an intervention by claiming it was against "Western intrigues and subversion."

The amount of time that the U.S. can help buy for peaceful reform in the East bloc is probably limited. The economic ills of the satellites are not just chronic, they are degenerative and could be terminal. East bloc governments, by and large, are unpopular. Brezhnev's successors face two bleak choices: they can accept the eventual breakup of the Soviet empire, which for

Depleted force: U.S. tanks on NATO maneuvers in West Germany

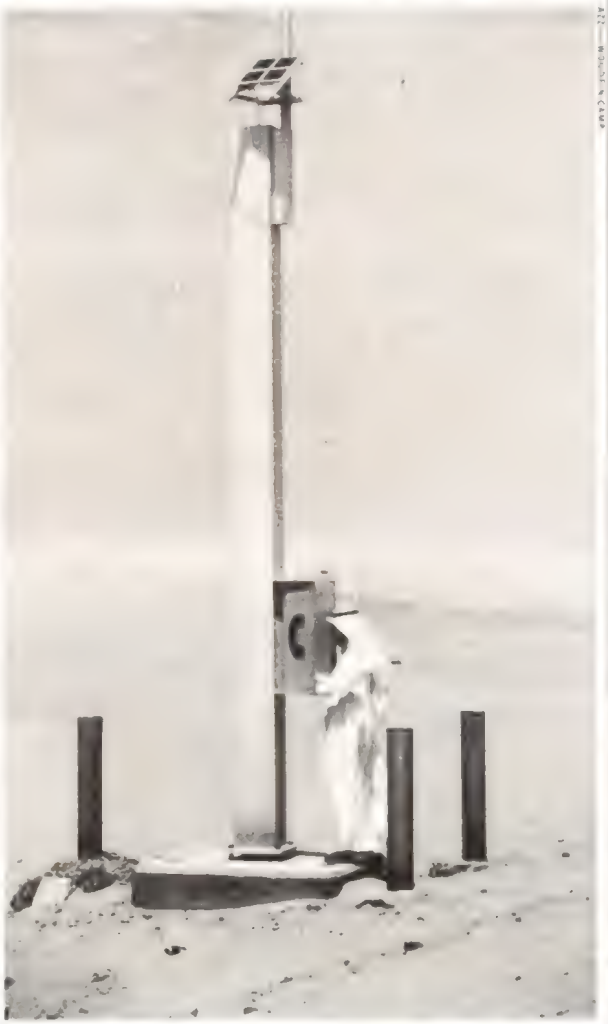
them would be unacceptable, or they can keep trying to patch the cracks in the monolith by reconquering their colonies when recalcitrance gets too far out of hand. The Soviets need loyal, subservient satellites, not just as a geographical buffer to protect their security but as a basis for their claim to being the standard-bearers of an internationalist ideology. That claim is critical to the propaganda and policies they are carrying out elsewhere in the world.

Whatever form the crisis in Eastern Europe takes, the U.S.S.R. is clearly in for protracted, expensive and embarrassing difficulties that could distract it from making trouble elsewhere. The consequences for the West could be favorable: the peoples of East bloc countries, despite more than a generation of Communist rule, look to the West with aspiration, envy and a sense of kinship. The U.S. does not need actively to incite and aggravate troubles that the U.S.S.R. is in for anyway. But it can, by moving with care and sophistication, take substantial advantage of those troubles.

The U.S. can usefully exploit Soviet fears of China, but it ought to do so extremely carefully.

America should continue to build up economic and diplomatic contacts with the People's Republic. But selling China offensive arms or entering into formal defense agreements with China would be an especially risky form of military competition with the U.S.S.R. The U.S. is already cooperating with the Chinese in gathering intelligence about Soviet military activity. To cross the threshold from that kind of defensive cooperation to arms sales would give the Sino-American relationship too much the cast of an anti-Soviet alliance. Such an alliance would be politically provocative without being militarily formidable—a highly undesirable combination. With or without U.S. assistance, the Chinese military will be extremely backward for some time to come. In a crisis (over Indochina, say) with Washington and Peking allied against them, the Soviets might be tempted to attack just China, and thus call the bluff that the China card represents in strictly military terms.

The U.S. has a considerable interest in the success, or at least the survival, of the Four Modernizations policy of Deng Xiaoping. The U.S. can help with investment, financing, technology, bilateral trade and exchange programs for scientists, scholars and especially managers. Richard Nixon, among others, has speculated about the tantalizing, though still extremely remote, possibility that Deng's program, with its stress on pragmatism over ideology, could some day even lead the Chinese to abandon not just Maoism, which it is now doing, but Marxism-Leninism. Such a monumental defection from the Red banner would be a huge setback to the Soviet Union and the cause of Communism around the world.



Transitional society: telephoning in Saudi Arabian desert

There are opportunities for the U.S. to take the offensive on behalf of its own interests in the Third World.

As a result of the Soviet Union's invasion of Afghanistan, its clubfooted interventions in Angola and Ethiopia, and its support for Viet Nam's subjugation of Laos and Cambodia, the U.S. has new openings in the so-called Nonaligned Movement. Afghanistan was a founding member of the movement 26 years ago; the Soviet invasion there was a devastating setback to Fidel Castro's attempt to achieve permanent leadership for Cuba in the movement and to establish a kind of godfather status for the U.S.S.R. as the natural ally of nonalignment. States as diverse as Burma, Mozambique and Guyana have begun to distance themselves from the U.S.S.R.

With a combination of propaganda, economic assistance and diplomatic massaging, the U.S. should be able to exploit these openings. Even Cuba and Viet Nam, Moscow's principal hit men inside the Nonaligned Movement, may some day be receptive to efforts by the West to lure them into positions more independent of Moscow and into roles less troublesome in their regions.

While the Soviet Union can deliver arms to national liberation movements, the U.S. and the West can deliver something far more useful in the long run: multilateral negotiated settlements that resolve regional conflicts. A recent and promising though still precarious example: the end of the Rhodesian civil war and the creation of Zimbabwe. Both events were midwifed by Britain, with American backing. The U.S. would do well to look for ways to build on that precedent.

For the U.S. to backslide into isolationism, or to regard every revolutionary leader as an agent of Moscow, merely exposes the Third World to even more Soviet influence. The current tendency in the U.S. to see the developing world as a playground for Communism and as essentially inhospitable to the West risks becoming a self-fulfilling delusion. This danger is especially acute in Africa, where the U.S. has interests far broader than mere access to minerals. Sentiment has been building in the U.S. for the past year to fall back on South Africa, since it is a militarily powerful, staunchly anti-Communist nation in a politically volatile, economically vital region. South Africa also happens to be ruled by a tribe of whites transplanted from Europe. While muted, that racial factor is at least one component in the resurgence of conservative sympathy in the U.S. for the Pretoria regime.

The U.S. should keep its distance from South Africa and keep up its strong advocacy of reform there. At the same time, it should avoid heavyhanded pressure for immediate and comprehensive transformation. This approach would only reinforce

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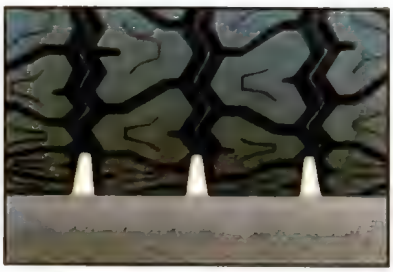

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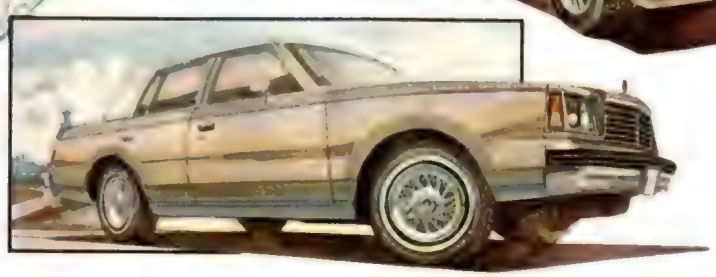

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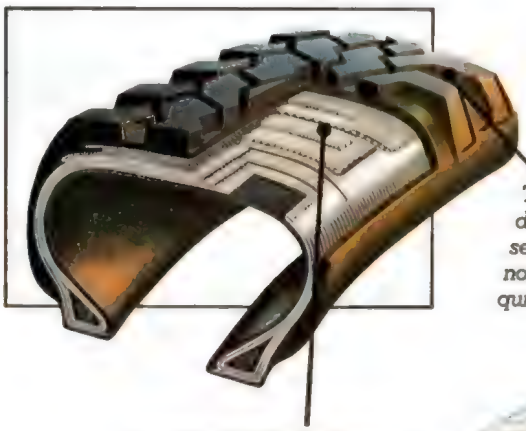

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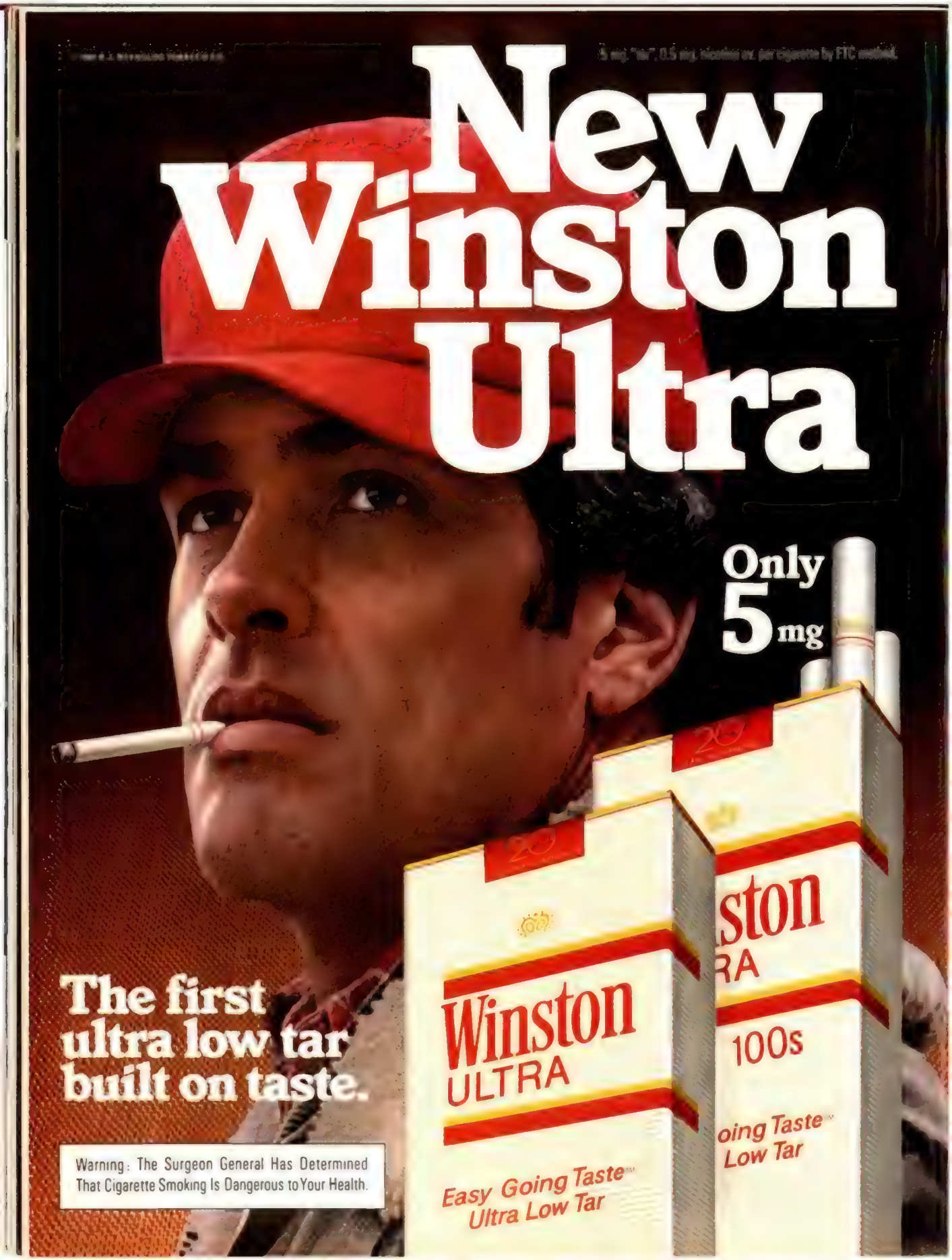
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the fortress mentality of the Afrikaners. The U.S. should also refrain from actively supporting the guerrillas who seek the overthrow of the South African government. Even the most eloquently indignant spokesmen for the states of black Africa do under-the-counter business with South Africa, which last year hit a record $1.7 billion in two-way trade with the rest of Africa. Many leaders may be willing to settle for internal reforms that would abolish the most hateful aspects of apartheid, at least as a prelude to the black majority rule that clearly is decades away in South Africa.

With the proper emphasis, human rights is still an important component of American foreign policy.

The Carter Administration's human rights policy suffered from being sanctimonious in tone and selective in application. Now there is a danger of overcorrection. U.N. Ambassador Jeane Kirkpatrick earned a place in the Reagan Administration by arguing, in a *Commentary* article, that the U.S. should support "moderate autocrats"—that is, right-wing regimes friendly to the U.S.—rather than allowing them to be replaced by "less friendly autocrats of extremist persuasion." But there is little reason for concluding, as Kirkpatrick implies, that the U.S. could have saved the late Shah of Iran or Nicaraguan Strongman Anastasio Somoza when they were in the throes of crisis. For decades those dictators were their own worst enemies. The U.S. failed them as well as itself by not pressing them much earlier than it did to reform their regimes, curb corruption and nepotism, and foster compromises to bridge the huge gaps that were developing between the rulers and the ruled. Had the Shah and Somoza liberalized their rules a decade ago, they might not have been faced with insurrection and revolution. Also, one reason why the regimes that replaced the Shah and Somoza were so anti-American was that the U.S. had either ignored or mishandled opposition political figures for so long.

There is an important lesson to be learned from the Iranian and Nicaraguan traumas: the U.S. should have understood earlier the nature and extent of the opposition forces, used its influence with the old regime to make the necessary changes, and if that failed, engaged in timely diplomatic actions—both open and covert—to position itself as advantageously as possible with the new order. But Kirkpatrick and other critics of the Carter human rights policy are quite right to warn that in dealing with right-wing leaders—"our sons of bitches," as Franklin D. Roosevelt is supposed to have once called them—the U.S. must avoid either the appearance or the reality of working for their overthrow.

While maintaining and even propagating its own ideals, the U.S. ought to conduct human rights policy in the context of *Realpolitik*. It ought to be a matter not of moralizing about the relative virtues of a particular regime, but of analyzing its ability to survive. The Reagan Administration is afraid that it inherited a set of relations in Asia and Latin America strained to the breaking point by the Carter human rights policy. It ought to worry more about the strains within those societies themselves —notably in El Salvador. It is one thing for the U.S. to help embattled client governments combat terrorism or cross-border subversion; it is quite another for the U.S. to prop up a regime that is doomed as much by its own weaknesses and excesses as anything else.

What if revolution were to engulf Saudi Arabia? The monarchy there faces threats to its survival. Some of them are external, especially from radical Arab states but also from Iran. Some are internal: Islamic fundamentalism, corruption, internecine rivalries within the House of Saud. The U.S. should provide military protection against outright invasion and assist Saudi security forces against subversion, but it should also keep pressure on the royal family to clean up its more conspicuous corruption and help the government cope with the social turmoil that so often accompanies booming economic development. Realistically, the U.S. should recognize that this semifeudal dynasty may not last forever. Contingency planning for that day will not be easy, since it is hard to foresee what combination of forces would replace the House of Saud. At the very least, the U.S. needs to maintain strong ties with the growing number of Western-educated and Western-influenced Saudi technocrats who will have a stake in their country's future no matter who rules it.

Third World distress: child victim of famine in Uganda

It is in the self-interest of the U.S. to help Third World nations solve their problems of poverty, social unrest and overpopulation; multilateral aid programs are the best way to do this.

The Council on Environmental Quality and the State Department last year synthesized Government and academic views on the subjects of population, natural resources and environment. Their findings, contained in a volume called *The Global 2000 Report to the President*, estimate that the world's population will have increased more than 50% in the last quarter of this century —from 4 billion in 1975 to 6.35 billion in 2000. Roughly 90% of that growth will occur in the so-called less developed countries (LDCs), thus widening the gap between rich and poor nations, exacerbating worldwide shortages of food, water and energy and challenging that more amorphous but equally vital resource, political stability. There is no way that the U.S. can isolate itself from those complex problems—nor should it try. Indeed, America needs to take a greater role in helping the industrialized West form a common strategy toward OPEC, which at the very least should involve conservation measures and an emergency reserve policy.

The energy resources and raw materials of the Third World are as vulnerable to the disruptions of regional politics as they are essential to the economies of the industrial West. Thus the current fears about the potential threat to Pakistan from Soviet legions on the other side of the Khyber Pass in Afghanistan

may give way within a few years to even deeper dismay over Pakistan's seeming inability to heal its ethnic divisions, curb its birth rate and ultimately feed its people. The collapse of Pakistan from within—and Pakistan is just one example—could have serious repercussions throughout its region: renewed warfare with India over Kashmir, say, or the spread of tribal warfare into Iran.

It is conceivable that World War III could start with the U.S. and Soviet Union taking sides, however reluctantly, in such a regional brawl. One possible site is the volatile Horn of Africa, where the forces of instability are as much demographic as geopolitical; famine and tribal vendettas might turn out to be as destructive as Kremlin scheming. The superpowers might be drawn in, since Soviet as well as Cuban forces are entrenched in Ethiopia, while the U.S. Rapid Deployment Force has access to bases in Ethiopia's hostile neighbor, Somalia.

In short, helping LDCs head off disaster—much like a sophisticated human rights policy—is not just a humanitarian ideal but a matter of reality. Unfortunately, foreign aid is now the object of widespread disillusionment both at home and abroad. Retiring World Bank President Robert McNamara and former Secretary of State Cyrus Vance in their valedictories last year both decried that trend as "disgraceful." And so it may be. Foreign aid is not a "giveaway" but an indispensable tool of U.S. policy. But the public attitude is also understandable, given the galling hypocrisy of Third World leaders who ritualistically excoriate the U.S. even as they accept American handouts. Inevitably, perhaps, the U.S. is widely identified with the prosperous and often profligate elites of poor countries. That fact alone largely explains why there are so few self-styled popular political forces in the Third World that are unabashedly pro-American. Happily, one such rarity emerged triumphant in last year's Jamaican elections, which brought Prime Minister Edward Seaga to power.

U.S. NAVY

Power at sea: U.S. aircraft carrier *Constellation*

Despite their rhetoric, many Third World leaders recognize that the "imperialist" West is far better able than the "progressive" East bloc to help in their economic development. As decolonialization, like colonialism before it, fades in Third World memories, economic development may gradually replace armed struggle as the order of the day. Even Fidel Castro last year warned his protégés, the Sandinistas of Nicaragua, to beware of Cuba's mistake of mortgaging the country's economy to the U.S.S.R. in exchange for an ideological blessing, military aid and political support.

In asking for Western economic assistance, the Third World —an artificial term that lumps together countries with quite different economic and political philosophies—must readjust some overly ambitious goals. Many of these nations are asking for massive transfers of goods and services and seemingly want to readjust the north-south economic imbalance overnight. They also need to face up to the problem of paying off the debt they already owe the West; the more than $400 billion borrowed by LDCs in the past decade, if defaulted, would threaten the very institutions that can provide the funds for further development.

Still, the U.S. should recommit itself to foreign assistance on a realistic basis so that aid will 1) regain the political support it needs in the U.S., and 2) be effective overseas. In the 1950s and '60s, U.S. aid was largely a matter of bilateral, one-way gifts. Such assistance has too often proved harmful to the LDCs: it discourages economic innovation and national self-esteem while feeding corruption and resentment on the part of the recipient. Some outright government-to-government grant assistance will still be necessary. The real emphasis, however, should now be on private-sector investment by multinational corporations and on highly conditional, firmly supervised loans, channeled through such international financial institutions as the World Bank, the International Monetary Fund and various regional development banks.

Reagan and his advisers seem to favor bilateral deals, with the U.S. lending directly to a poor country. Such loans not only would be easier to monitor but they also could serve as rewards for political behavior that the U.S. considers friendly. But precisely because such bilateral deals offer an opportunity for obvious political manipulation, they are almost sure to be resisted not only by Third World countries but also by America's principal economic partners. The West, to use its wealth effectively, needs a common investment strategy. Hence a more prudent course would be to strengthen international financial institutions. That means using America's still dominant position on the governing boards of those bodies to improve their ability to tie—and occasionally yank—the economic strings that must be attached to loans and aid programs.

It also means bringing concerted pressure on pro-Western members of OPEC, to recycle more of their petrodollars and petro-yen through the multilateral institutions. Venezuela, a founding member of OPEC, has been assisting the poorer nations of the Caribbean basin, and Saudi Arabia spends about 3% of its G.N.P. on aid programs for such relatively poor Islamic states as Pakistan, Syria and Jordan. But Saudi Arabia's vast wealth represents a global problem and not just a regional one, since it has accumulated that wealth partly at the expense of oil-importing poor countries around the world. Therefore, the Saudis share the responsibility of major industrialized countries to help the international financial institutions assist the LDCs. In the long run it is in the interests of the West and its wealthy friends in the Third World to wean the poorer nations from their current paradoxical addiction: socialist nostrums at home financed by capitalist largesse from abroad.

In the perennially troublesome and potentially explosive Middle East, the focus of U.S. diplomacy should shift to Jordan.

The American foreign policy dilemma is a familiar one: how to maintain the U.S. commitment to Israel's existence within secure, internationally recognized borders while seeking to regain influence in the Arab world by contributing to a just solution of the Palestinian problem. In their public statements, leaders of the Arab world unanimously insist that there is only one solution: establishment of an independent Palestinian state on the Israeli-occupied West Bank and Gaza Strip. Privately, at least a few Palestinian leaders are willing to concede, albeit reluctantly, that this goal cannot be realized in the foreseeable future. No Israeli government could possibly accede to the creation of such a state, even with international safeguards for Israel's security needs, and hope to survive. Yet continued occupation of the territories is as objectionable to many Israelis as it is to all Arabs.

One possible goal of U.S. policy in the ongoing peace talks

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would be a demilitarized West Bank, politically federated with Jordan (but with a large measure of local autonomy) and economically linked with Israel. Achieving that admittedly difficult goal would depend, of course, on getting Jordan's King Hussein to join the Egyptian-Israeli talks. Hussein so far has adamantly refused to do so. After the January summit of Islamic leaders in the Saudi Arabian city of Taif, the King once again insisted that the P.L.O. was the sole legitimate representative of the Palestinian people; nonetheless, he has never entirely given up his interest in the West Bank, which Jordan ruled from 1949 to 1967.

Involving Hussein is important not only because of his potential ability to serve as a surrogate for West Bank Palestinians. It is also important that the Arab-Israeli peace process take on a more multinational cast, thus easing the onus on Egypt's Anwar Sadat as the odd man out in the Arab world. Sadat's isolation makes him politically vulnerable both to internal enemies, like Muslim fundamentalists, and to external foes, like the irrepressible Gaddafi. Sadat's troubles are economic as well as political; he would be in a better position to deliver his long-promised peace dividend to his overpopulated, impoverished country if an Arab-Israeli settlement extended to the West Bank as well as the Sinai. Sadat might then also be able to count on more economic assistance from the Saudis; as long as he is a pariah in the Arab world, they are constrained from helping him very much. A Jordanian "solution" for the West Bank will become more feasible if Shimon Peres succeeds Menachem Begin as Prime Minister in Israeli elections this summer. Peres and his Labor Party have expressed a willingness, under certain circumstances, to return much of the West Bank to Jordanian sovereignty.

No matter how Israeli internal politics and the diplomatic drama in the region unfold, the U.S. cannot escape a central, active role as a mediator in the Middle East. The U.S. is the only superpower that has any influence at all with Israel and Egypt, even as it struggles to maintain the trust of all the other moderate Arab states. That trust would be important to the U.S. even if oil were not involved. Despite its vital interests in the Middle East, the U.S. should resist the temptation to establish bases either in Israel or in pro-Western Arab states, assuming one were willing to accept an American military presence. A base in Israel would antagonize moderate Arabs; a base in Egypt or Saudi Arabia, say, might add to the isolation and vulnerability of these countries' rulers. Guaranteed access to bases in case of conflict, plus the advance positioning of supplies, should serve the needs of the Rapid Deployment Force when it becomes fully operational.

LEVIN—BLACK STAR

Symbol of hope: the Statue of Liberty

Since foreign policy begins at home, there must be improvements in a wide range of domestic attitudes and institutions.

There is no sure way to protect foreign policy from meddling and obstructionism by congressional cliques. U.S. diplomacy, however, would almost automatically become more consistent, credible and effective if Congress, at its own initiative, demonstrated discipline and bipartisanship in offering advice and consent to the Executive Branch. The new Administration, in turn, could help by being more solicitous and skillful in its liaison with Capitol Hill than has recently been the case.

The Secretary of State should be given greater authority and responsibility than he has had in the immediate past. As the senior Cabinet officer, the Secretary of State is considered first among equals in various councils and committees. But that arrangement still leaves too much room for bureaucratic and personal rivalries; it also too often puts the Secretary of State in the position of representing his own department's sometimes parochial interests against those of Defense, Treasury or Commerce. One solution would be for the Secretary of State to wear a second hat, analogous to the CIA director's additional title of Director of Central Intelligence, which charges him with coordinating the intelligence work of the entire Government.

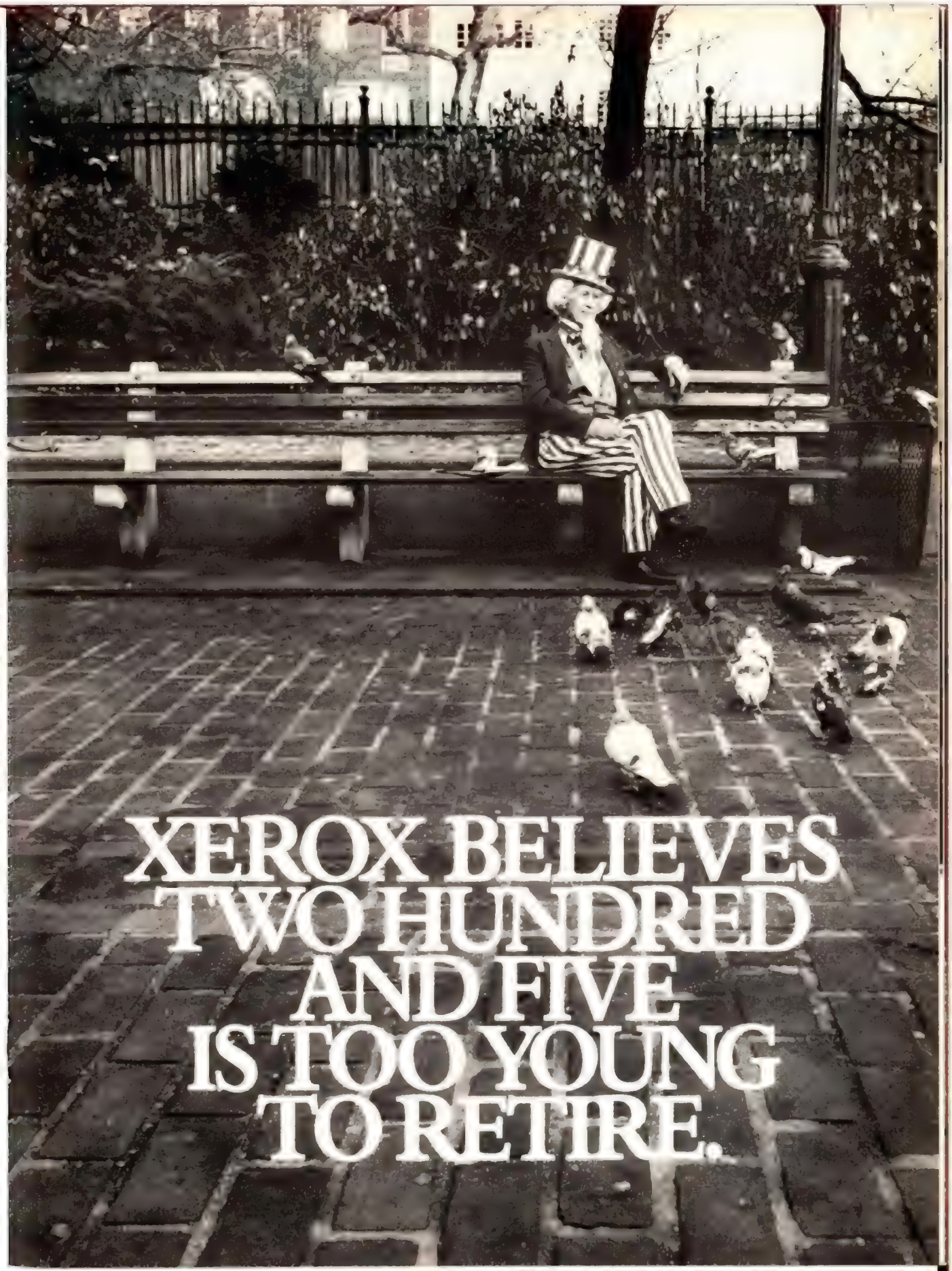
As chairman of an interagency Cabinet-level body, the Secretary of State would have formal supervisory power over any activity by any Government department that has consequences beyond the water's edge. Reagan's National Security Adviser, Richard Allen, has promised that his office would return "the functions of formulating and implementing policy" to appropriate departments. That vow, if kept, would go a long way toward ending the who's-in-charge confusion that attended U.S. policymaking during the Vance-Brzezinski and Rogers-Kissinger years.

The U.S. must attract more and better young officers into its diplomatic corps and intelligence services. That means raising both pay scales and morale; it also means increasing the size and quality of the talent pool from which those services draw. There is a desperate need for a new commitment by Government and the private sector alike to foreign-language and area-studies programs in high schools and colleges. However far removed this issue may seem from the crisis of the moment in the Persian Gulf or Eastern Europe, the ability of the U.S. to deal with those regions ten or 20 years from now will depend in part on the vigor of Arabic and Slavic studies around the country. A presidential commission correctly concluded in 1979 that "American incompetence in foreign languages is nothing short of scandalous and it is becoming worse." One sobering example: when a Soviet soldier in Afghanistan briefly sought asylum at the U.S. embassy in Kabul last September, not one American official there could communicate with the would-be defector in Russian.

An urgent problem affecting both foreign and defense policy is the degree of alarm that has characterized domestic criticism of incumbent Administrations in recent years. During the Viet Nam War, many on the left bewailed what they considered the immorality of American policy. Destructive self-criticism continued long after Viet Nam, but this time it came from the right and was directed against the perceived impotence of American policy.

The nation has a chance to put behind it the self-flagellation of the past 15 years. The U.S. is clearly eager for a more positive approach toward the troubles—and the opportunities—facing it around the world. Reagan won his presidency in part because he capitalized successfully on a national nostalgia for what seem, in retrospect, simpler, less troubled times. Americans should not be nostalgic for a lost, largely illusory and certainly irretrievable time when the U.S. always got its way in the world. The more worthy and certainly more salutary objects of nostalgia are a mood of cautious optimism and a can-do faith in American abilities. That mood and that faith can be restored. Once restored, they will help greatly in defining a new role for America as a superpower.

—By Strobe Talbott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To Revive Responsibility

Needed: individual awareness of a new sense of nationhood

Whatever the institutional mechanics of it, the real renovation of America must begin in Americans' minds. It must express itself in their civic morale, their sense of individual responsibility for themselves, for the communities and the nation around them. It is not enough to say that the Government has failed, that the System has failed. That accusation subtly absolves individual citizens of blame but also leaves them feeling like abjectly passive victims of immense conspiracies—bureaucracies, multinational corporations. No society can flourish, or even function, if its people do not feel responsible for it any more.

America will get better only when Americans are convinced that it is up to them to make it better. For a decade or more Americans have tended to behave like submissive passengers aboard a national vehicle that veered unpredictably across the landscape: a succession of distracted presidential drivers kept coming up with the steering wheel loose in their hands. The great enterprise, the distressed passengers began to tell themselves, was probably headed for no good end, but in any case, it was beyond their control. Larger and darker forces were at work: inflation, crime, OPEC, the crippling onset of vulnerability and mediocrity, the shame of Watergate, the humiliation of Viet Nam. The grace that historically seemed to have attended American ventures appeared to have been mysteriously withdrawn, and the people fell into an apprehensive gloom, like adolescents suffering the sudden and unexpected disapproval of their fathers: of history.

The loss of American self-confidence was especially shocking because previous generations had seemed so powerful and virtuous. In the spring of 1941, while Hitler was busy extinguishing Europe, William Saroyan wrote a ripely sentimental play for CBS radio called *The People with Light Coming Out of Them*. Those luminous people were the Americans, heroic with their sappy "gosh," their shy Jimmy Stewart goodness. ("Sentimental? You bet! Say, this is a swell country, and . . .") Saroyan's protagonist sent a sweet democratic vision through radio sets across the American night, a period piece: "Look at the light shining out of those humble houses. That light is the light of a happy nation, a free and growing people, a people without fear, a people who love instead of hate, whose casual everyday humanity is stronger than any other power in the world . . . The best in people from all over the world is growing here into the first real nation of the world —the American nation." A few months after the broadcast, the Japanese bombed Pearl Harbor, and the People of Light went overseas and saved the world.

It has been a while since Americans have felt that way about themselves. All the notorious national wounds left many with a wintry, elegiac view of the country and its future. The nation that was once the world's most famous optimist began to shuffle around in a bathrobe, feeling mediocre and depleted, listening to threnodies by the Club of Rome.

But that moment could not last forever in a land whose central idea from the first Pilgrim landfall onward has been physical and spiritual renewal, the fresh start, the future in which literally anything is possible. Often in their history Americans have returned to that theme of vigorous dawn departures—physically to the frontier, spiritually in the Great Awakening, socially through the immense renovation of the New Deal.

Now, at the beginning of the '80s, Americans may be on the point of another departure. The '80s may witness, for example, a long-overdue transition from an emphasis on feeling—"If it feels good, do it!"—to a keener focus on thought; feelings, at least the transcendent obliterations accomplished with drugs or extravagant sexual experiments, do not solve problems. Nor do the lesser sybaritisms of a hot-tub culture that in the '60s and '70s elaborated the idea of consumer comfort into a supine and giggling version of decadence.

There seems now an awakening will to rescue the future from the bleak descending path, the rather mean history of the recent past. Of course, a rhetoric of optimism is standard for a little while just after the presidency changes hands. Eras of good feelings and presidential honeymoons generally last roughly until the first daffodils appear on the White House lawn.

AND YET, THE NATION's psychological atmosphere seems to be changing in a deeper way that may have nothing to do with the new presidency. The paralyzing tone of apology and self-denigration is vanishing from public discourse. Americans find themselves unashamedly eager to be Americans. Samuel Johnson's line ("Patriotism is the last refuge of a scoundrel") was interminably quoted in the old skirmishes between hardhats and the dissident young; but patriotism was never merely that. Love of country must always be rescued from scoundrels (Know Nothing nativists, racists, anti-Semites and other thugs), and Americans seem to know that now, seem briskly capable of loving their country without being nationalistic bullies. In any case it has been years since some Americans went around spelling it "Amerika." Not that Americans have become moronically self-congratulatory; they just seem more realistically self-aware, less given to their previous extremisms, the essentially trifling

Illustrations for TIME by John Alcorn

Manichaeanism that saw it all in black and white.

The way the nation interprets itself is changing. Many believe that some time around the beginning of the New Frontier, the power of explaining America to Americans fell to a liberal, sometimes radical "new class"—academics, elitists, journalists—which, although accurate up to a point, somehow got the story wrong or told it from a vantage point of supercilious and frequently privileged hostility. "We have met the enemy and he is us," they wrote, quoting Pogo. Americans developed a moral inferiority complex of historic proportions: where once they hubristically viewed themselves as the world's best, many came to see America as the worst.

The American spirit will not be revived merely by incantations, of course. Some argue that an improved state of reality produces a better mood, not vice versa, and the world's economic and political realities will not be easily changed. If inflation and high interest rates go down, for example, then Americans, being more secure in their savings and able to buy houses, will assuredly feel better. But morale, the condition of the spirit, is more important than materialist Americans like to admit. If they are to revive their moral energies, Americans will have to begin by devising new ideas of citizenship and community. Electronics, television, air travel, interstate highways—all the bright, glowing circuits of our communications—have made the U.S. an intimately national community. Americans must now adjust their systems of government and ways of thought to the new configurations. This will require individuals to be responsible, effective members of that new national community. A true will to set the place in functioning order would begin to settle old tragic business: it would reach out in new initiatives—new combinations of business, labor unions and government, for example—to turn the poor into productive citizens. Americans must develop levels of knowledge, tolerance, sophistication and citizenship that will transcend merely individual or tribal or regional identities. They must define the common virtues they value and the social behavior they expect from one another.

Americans need to understand how thoroughly they have become a national society. Local issues—busing, for example, or the fate of a specific highway or subway project—can have national significance. National issues—nuclear power, for example, or the location of the MX missile site—assume intense local importance. Great sprawling America, which was built by the exuberant pushing and hauling of multiple constituencies—America the pluralistic—has in a way become an extraordinarily compact society. At the same time, old regionalistic allegiances and customs still exert their considerable divisive pull; in certain respects, energy shortages and other economic factors make that pull even stronger than in the past. And in another, more elusive way, the nation suffers from severe internal fractures.

"We've ended up with what I call tribal solipsism," says University of Chicago Church Historian Martin Marty. "Blacks say if you aren't black and oppressed, you don't have the vision. Women say if you aren't a woman, you don't have the vision. The Moral Majority says if you aren't one of them, you don't have the vision. But I don't think that in the '80s we're going to have *the* vision. Those days may be past us." The problem is that tolerance and cosmopolitanism often get lost among the warring tribes. If they had longer national memories, Americans might reflect in their angry and intransigent moments upon Abraham Lincoln's democratic faith: "Public opinion, though often formed upon a wrong basis, yet generally has a strong underlying sense of justice."

The profound psychological density brought to America by its communications works in sometimes contradictory ways. The images of blacks on network TV, for example, can encourage tolerance by overriding local or regional bigotries; for all the talk of a resurrected Ku Klux Klan, it is only a vestige and parody of the huge, white-sheeted army that once lynched with impunity over much of the South. The more profound bigotries, of course, easily manage to survive the weak civilizing influences of an interracial sitcom. At the same time, the new, closely worked symbolism of American nationality raises expectations, sharpening all social contrasts to the point that any inequality seems an injustice. The new nationality gives all Americans a much higher and detailed description of what they are supposedly entitled to; the basis for comparison is so much more immediate.

AMERICANS NEED TO focus now on a different form of expectation: not what they expect for themselves in the way of entitlements, but what they are entitled to expect from one another in the way of social behavior. Those expectations include civility, literacy, manners, tolerance, even cleanliness. People from around the world are horrified by the heedless way that Americans scatter trash and garbage, as if making a mess were a reassurance of one's freedom.

The past 15 years were centrifugal: no moral center of gravity exerted a restraining force, so that almost any social behavior short of a display of necrophilia in the public parks could lay claim to legitimacy. In the '80s, the trend should be more centripetal: away from the purely individual, toward the community. The U.S. and Japan, historically and culturally, are almost universes apart, and the U.S. became great through precisely the kind of turbulent freedom that is unthinkable in that other universe. Nevertheless, Americans might profitably reflect on the social organization—not to mention the business methods—of the extraordinarily cohesive Japanese. A Japanese writer, Michihiro Matsumoto, explains one difference this way: "In the U.S., you say, 'I'm O.K., you're O.K.' In Japan, we say, 'We're O.K., therefore I'm O.K.' " The Japanese tend to identify their own welfare with that of their countrymen.

Almost nothing since the end of World War II has so affected the American spirit as the old story of the traumatic transition from small-town community to big-city anonymity: the spread of an isolation and estrangement that make it impossible for a person to know if the man in the next seat or next apartment is worth getting to know or is a homicidal maniac. In the towns, by God, the fund of common knowledge about nearly everyone was richly and sometimes intrusively detailed. The urban milieu has its advantages—individual privacy and freedom—but it can exact a heavy psychic price. Citizens who become secrets to each other dead-end in narcissism, cut off from the nation's public life.

Not knowing what to expect from the strangers they live with, Americans begin to marinate in paranoia and suppressed rage. Crime combines fatally with inflation to subvert the old American hope, the idea that virtue, saving, obeying the law are rewarded, not punished. Psychologically intensifying the horrific reality of crime, the local TV news teams project it directly into the American fantasy life, the air filled with such

vivid playlets of violence and death and fire and gore that children begin to grow up thinking that the world outside the front door is profoundly menacing—not the old America, not the nice America any more.

The spirits of Americans cannot rise unless they see crime much reduced and justice much more effectively dealt out. The constitutional emphasis on the rights of criminals should be balanced by consideration for the community as a whole. The number of actual victims has risen disastrously, but the social damage done by crime, the intangible injuries to confidence and hope and citizens' sense of justice, is incalculably higher. As Chief Justice Warren Burger says, crime has created "a reign of terror in American cities." In that sense, the victims and their sufferings receive preposterously little consideration in comparison with those who assault. Somehow the criminal must be persuaded that society despises crime —surely not the impression that the criminal justice system now gives. Tough gun laws are essential. The judicial process should be speeded up. Determinate sentencing—a given crime draws a given sentence—would serve to make the law more predictable, less apparently capricious. The costs of a better justice system will be huge—too large for local jurisdictions to assume. The Federal Government will have to pay much of the expense in order to make crime control broadly effective.

The Moral Majority and other religious fundamentalists are components of an ascendant movement, at times primitive and a little scary, that seeks to lay down some rules for a new national cohesion. All members of the Moral Majority—just another minority interest group, for all the self-righteousness of the title —should probably have the Bill of Rights embroidered on their shirt cuffs, lest some of their coercive impulses run away with them. The movement led by the Rev. Jerry Falwell is potentially dangerous to democracy; with a disturbing touch of zealotry and intolerance, it would like to impose by legislation its interpretations of Christian morality upon the rest of the erring populace. Of course the Falwells can argue that they are simply reacting against the liberals' own past attempts to legislate *their* version of civic virtue. Both sides may have to learn that rights may be guaranteed, but, beyond a certain point, virtue cannot be enforced by law. The Moral Majority's platform—against abortion, ERA, busing, gay rights, sex education and SALT II; in favor of school prayer—does not always square with the opinions that most Americans have registered with Gallup and ABC/Harris. But the Moral Majority's wide attraction is a sign that large numbers of Americans are sick of a society in which so many standards of conduct have collapsed.

IN ITS MILITANT moralism, this army of the aggressively wholesome can rouse other Americans to try to come to grips with difficult and basic ethical issues that should not be left to single-issue politicians—abortion, the quality and direction of education in public schools, and so on. The right-wing insurgency in America today, although much exaggerated as a kind of counterrevolution, may resonate in a certain moral harmony with large numbers of American citizens whose politics are more centrist and whose ethics are more secular.

Conservatism is being called the ideology of ideas just now because it is searching for new practical solutions to economic and social problems (sometimes so old that they merely look new). It is also called that because it is tending toward the firmer, common-sense moral ground that radicalism and experimental youth abandoned years ago for more fantastic terrain. The formerly young of the 1960s have helped along the movement toward more civil and sensible behavior. Many of them have now discovered complexities they had not earlier imagined and the virtues of some behavior they might have previously scorned. They have grown up and started to raise children of their own—an enterprise that, as they did not know when younger, is the most profoundly humanizing and civilizing of all worldly experiences.

A COMMUNAL BIAS TOward sounder roof beams and joists has become more evident, especially in fields like education. It will take immense intelligence and energy to repair and revive public schooling in America, but at least industriousness and literacy are beginning to be honored again. Religion has reasserted itself amid a gathering conviction that some standards—honor, heroism, courage, kindness, tolerance, decency, sacrifice—really need to be planted somewhere in the vicinity of the absolute.

In a world of mere moral relativism, virtues tend to crumble between one's fingers: they do not get anyone through the hard struggles. All ideas are not equal, despite a circus of moral confusion and hype that has all but destroyed both the courage and the capacity to distinguish the worthwhile from the meretricious. Certain older virtues are being newly discovered, such as the need for hard work and the love of excellence, although they have not totally displaced an obnoxious strain of self-pity and self-indulgence. Certain other virtues need to be cultivated more. One of them is duty, the sense of what the individual owes to his community; Americans have a tendency to forget that in many other cultures, individualism is a pejorative, suggesting an antisocial elevation of one's own welfare above the welfare of everyone else. The French since the age of Balzac have made the useful distinction between *individualisme* and *individualité*, the second carrying those genes of personal creativity and drive that made America prosper.

A dull paralysis frequently results from a failure to make distinctions. Too many Americans in the past dozen years have fallen, with a queasy sense of loss, into the idea that progress is both socially malignant and inevitably doomed. But there is good progress and bad progress. It is sometimes hard to decide which is which, but it is preposterous, even superstitious, like a savage seeing an airplane for the first time, to cringe at the idea of progress itself.

Discovering that American success and virtue are not necessarily part of a divine agenda may have been a rather painful loss of innocence—but innocence is always overrated anyway. A wiser nation may now begin to discover the vast creativity available in its possibilities. America must start experimenting again in its institutions, in its science, in its business. "Modern consciousness," in Sociologist Peter Berger's formula, "entails a movement from fate to choice." Armed with the knowledge that they are not fated to succeed, Americans can take up the complicated burden of choosing to succeed, of making their way creatively across the expanses of their possibilities. That venture could be as liberating to the national spirit as the first forays west across the mountains.

—By Lance Morrow

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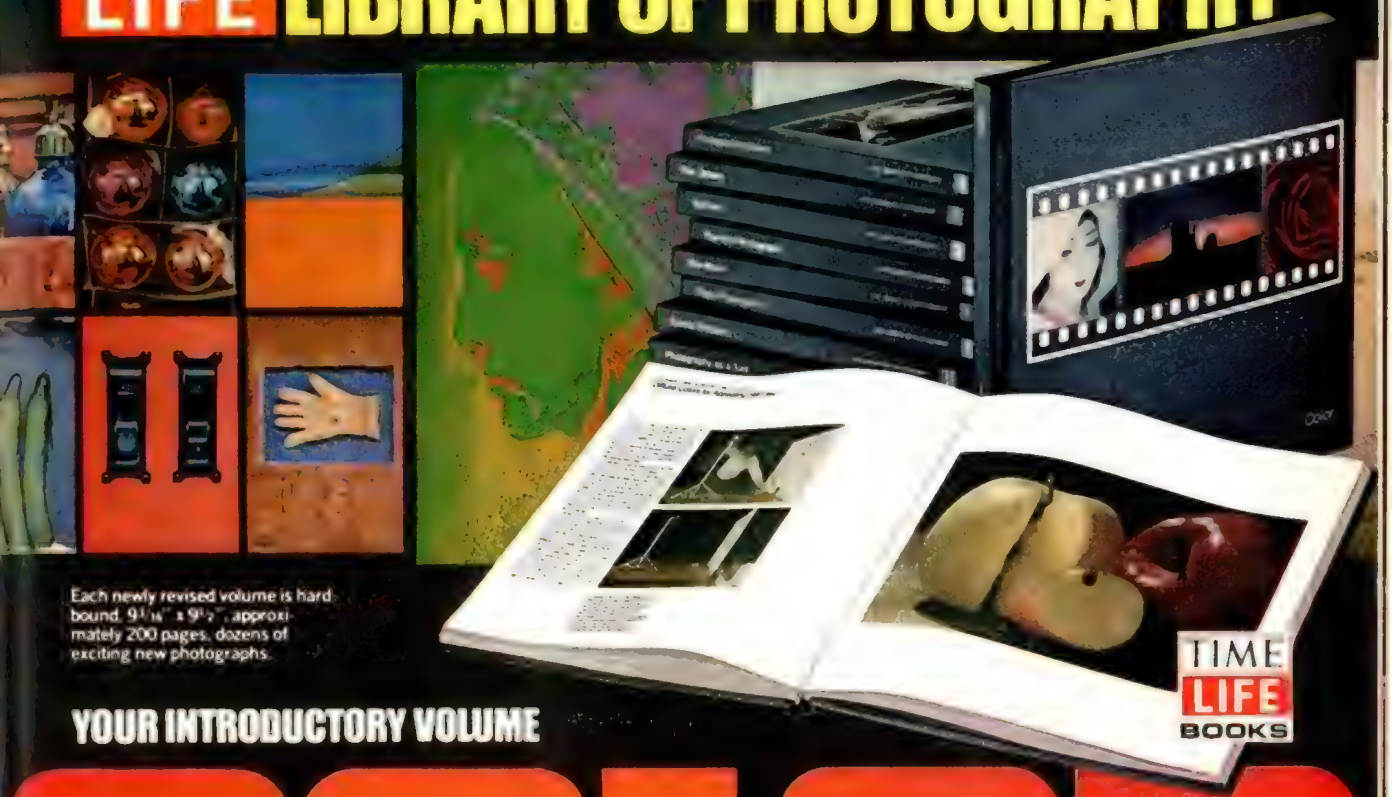

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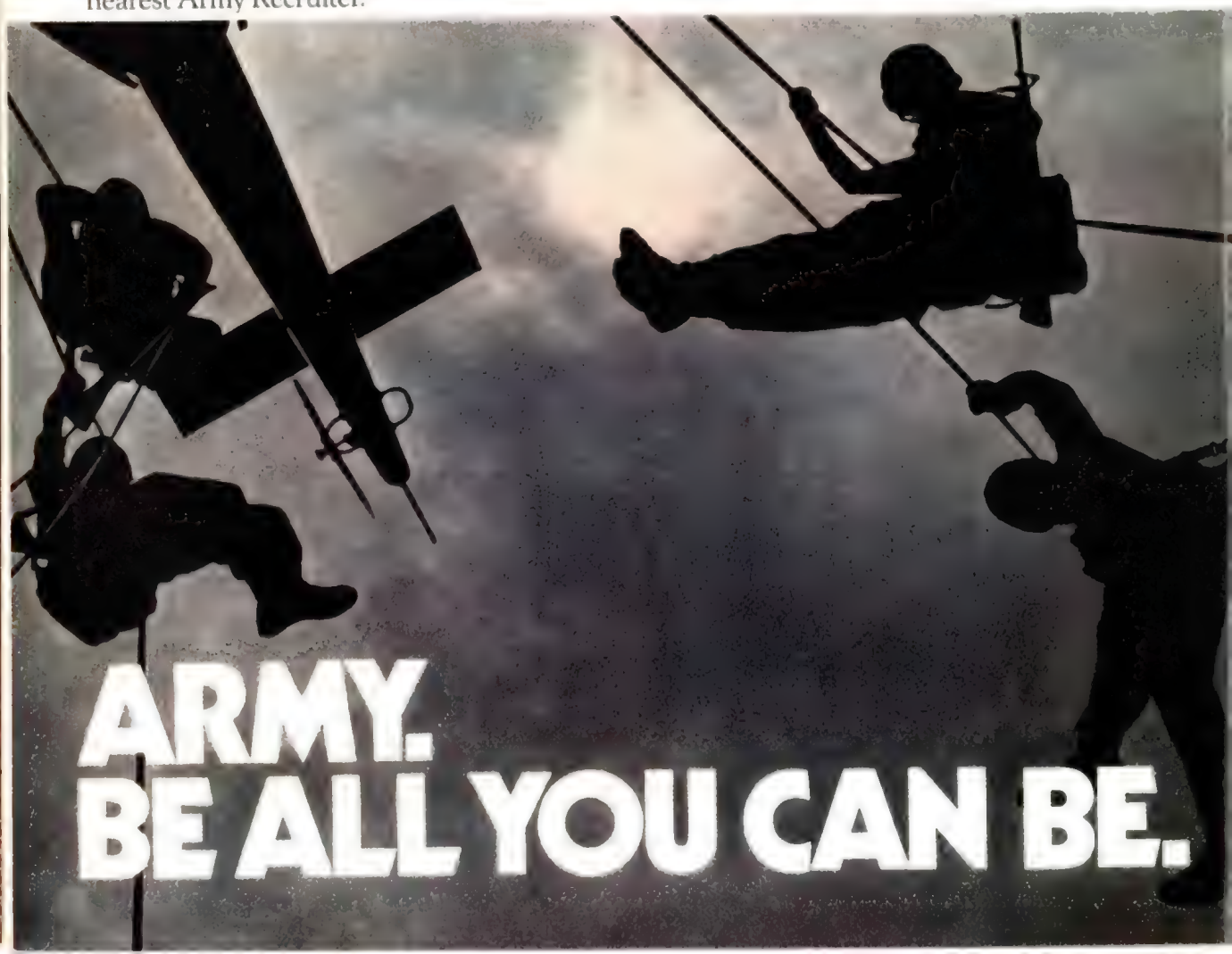


Burger Takes Aim at Crime

The Chief Justice blasts the "reign of terror" in our cities

Chief Justice Burger

The Chief Justice of the U.S. Supreme Court's annual report to the convention of the American Bar Association is usually a businesslike survey of problems of court administration, touching on such issues as jurisdiction and clogged dockets. This year, however, was an explosive exception. When Warren Burger stepped to the podium at last week's A.B.A. meeting in Houston, he zeroed in on a single, highly charged topic—violent crime—and let loose a broadside at the nearly "impotent society" that had failed to come to grips with it. "Why do we show such indignation over alien terrorists and such tolerance for the domestic variety?" Burger questioned the lawyers. "Are we not hostages within the borders of our own self-styled enlightened, civilized country?"

To combat the "reign of terror in American cities," the nation's top judge called for greater stress on the "deterrent effect" of "swift arrest, prompt trial, certain penalty, and—at some point—finality of judgment." He suggested hiring more prosecutors, defenders and judges so that a defendant could be tried within a few weeks of arrest, rather than months, and get his appeal heard within eight weeks. One round of direct appeals per defendant, he argued, should be enough. After that, subsequent judicial review should be limited to "genuine claims of miscarriage of justice" and should not hinge on "technical errors, unrelated to guilt or innocence."

The Chief Justice's points appeared to stem from a belief that the "massive safeguards for accused persons" built up by the judicial system in recent decades are out of proportion with the protection now afforded to law-abiding citizens. He urged more stringent standards on bail to prevent the release of suspects likely to commit a crime between their arrest and trial. For those who end up behind bars, he renewed his familiar proposals for better facilities, improved training, and more sensible incentives to "learn the way out of prison."

Burger acknowledged that what he called his "damage-control program" would be enormously costly. But he maintained that it was "as much a part of our national defense as the budget of the Pentagon." Many in his A.B.A. audience, which interrupted him eight times to applaud, obviously agreed, and so did much of America. The New York *Times* pointed out, in one of the many editorial-page responses that the speech provoked, that Burger touched a nerve with "an entire generation of citizens who dread the city streets and in their fear feel deprived of elementary rights." David Armstrong, president-elect of the National District Attorneys Association, praised the speech for "exposing the cracks in our system before they get worse and the system breaks apart."

Yet many experts, even those who welcome the Chief Justice's efforts to focus attention on the issue, questioned the efficacy and even the constitutionality of some of his solutions. "You don't solve the problem by eliminating procedural safeguards," said Michigan Law Professor Yale Kamisar. He and others point to studies showing the great difficulty of predicting which suspects will actually commit additional offenses if released while awaiting trial. Critics of the speech also objected to the idea of permitting convicts to file habeas corpus petitions only for miscarriages of justice, and not for technical errors. One reason: such petitions account for only a small portion of a court's work load and most are promptly dismissed. Moreover, points out Howard Eisenberg, executive director of the National Legal Aid and Defender Association: "One person's technical error is another person's miscarriage of justice."

The proposals that hold the most promise in experts' eyes, like speedy trials and penal reform, are widely deemed to be too expensive ever to come to pass. The likelihood of raising—or diverting—the necessary revenue is considered particularly slim in cities and states where the problem is most pressing. Nevertheless, Burger's message has a powerful symbolic importance, all the more so because he is not the only high federal official who is calling for a new attack on crime. At his confirmation hearings last month, Attorney General William French Smith said that the Justice Department would make violent crime its top priority, in contrast to the Carter Administration's focus on white-collar crime. When pressed by reporters for specifics on how the Federal Government can deal with what is largely a state and local responsibility, Smith talked somewhat vaguely about the importance of "leadership" on the issue. Legislative aides in the Justice Department so far have come up with few new ideas. "We've been around this before," says one official, "and the solutions didn't always work." Old hands recall the law-and-order fervor of the Nixon Administration and the failed efforts it produced. Example: the Law Enforcement Assistance Administration, which for 12½ years has financed innovative police programs and sophisticated equipment, has had future funding cut off by a disappointed Congress.

One scheme under consideration at Justice is a fund to compensate victims of federal crime. At the White House, meanwhile, there is talk of having President Reagan name the week of April 20 National Victims' Rights Week. This seems to represent scant progress indeed. But it does dramatize the practical and financial realities against which Smith's intentions and Burger's stirring call must be measured. —*By Bennett H. Beach. Reported by Evan Thomas/Washington*

"You can't do this—I'm a liberal! I don't agree with Justice Burger! I think we should keep the streets safe for criminals! I don't mind if you clutter up the justice system! Wait . . ."

"I'm Always in Money Trouble"

How to lose a zillion, by Francis Ford Coppola

Laid on at a cost of $4,000, it was a banquet fit for a movie king: white and green pasta, chicken with mozzarella and prosciutto, strawberries dipped in chocolate, vintage wine. Francis Ford Coppola, 41, the director of the *Godfather* films and *Apocalypse Now*, had invited 100 journalists to inspect the most elaborate toy a movie-mad boy could hope to own: Zoetrope Studios, the 10½-acre Hollywood production lot he bought early in 1980 to make his own films and those of fiercely loyal independent moviemakers he has invited to join him. This, he hoped, would be the studio of the future, an artistic Arcadia with nine sound stages, 34 editing rooms and newfangled videotape- and film-editing technology designed to allow films to be shot and completed in five weeks, half the normal time. But when the proprietor tried to explain the marvels of his "electronic studio," his guests bombarded him with questions about the cash crisis that has imperiled *One from the Heart*, his $23 million fantasy about love in Las Vegas, and may sink Zoetrope altogether. Was the nation's premier moviemaker in trouble? Said he, throwing his palms out: "I'm *always* in money trouble."

Coppola has always dreamed big about the movies. As a young man he went to Las Vegas to win enough money to buy a movie camera. In the early '70s he gambled successfully with Oscar-winning *Godfathers*, and then parlayed his work into a nine-hour TV mini-series that brought him more millions. Three-and-a-half years ago he came close to bankruptcy when a typhoon and other problems drove the cost of *Apocalypse Now* from the budgeted $12 million to over $30 million; now, 18 months after its release, the Viet Nam epic is in the black. Still, Coppola can't help envying the even greater financial success of another hot moviemaker. In 1973 Coppola produced a low-budget feature by George Lucas, and the film, *American Graffiti*, became a surprise hit. With *Star Wars* and *The Empire Strikes Back*, the protégé has finessed his mentor at the box office. Says one screenwriter: "Francis has spent long hours bemoaning the twist of fate that brought George all that money." Lucas has invested much of his movie winnings in the conversion of a 2,000-acre tract in California's Marin County into a production base. With Zoetrope, Coppola hoped to build a prototype movie world of his own.

He corralled estimable talents from all over the world. Jean-Luc Godard (*Breathless, Weekend*) came from France, Michael Powell (*The Red Shoes, Peeping Tom*) from England, experimental Film Maker Scott Bartlett from San Francisco and Hoofer Gene Kelly from the heart of Hollywood. He put three films into production on the Zoetrope lot: *Hammett*, a surreal murder mystery directed by the German Wim Wenders; *The Escape Artist*, starring Ryan O'Neal's 16-year-old son Griffin; and *One from the Heart*. By January, Zoetrope had some 500 employees and a $600,000-a-week payroll. Inevitably, Coppola's Olympian disregard for the bottom line led to deep financial trouble. Last spring, *Hammett*, which had endured a dozen rewrites on its way to filming, was shut down before completion. Then a few weeks ago, after the budget for *One from the Heart* ballooned from $12 million to $23 million, a group of investors withdrew $8 million of *Heart's* financing. Would Francis' film be abandoned? Would Zoetrope go the way of all utopias? It has become the industry's most tantalizing cliffhanger: *Dallas* for real.

The movie business is not famous for philanthropy, but most Hollywood folk have wished Coppola well in his daring venture. A few have offered more. Jon Davison, who produced the hit comedy *Airplane!*, has been at Zoetrope preparing a thriller called *Interface*. To help his boss inch away from disaster, he showed the *Interface* script to Paramount Pictures, which last week paid Zoetrope $500,000 for the property and also gave Coppola a $500,000 interest-free loan—enough to keep the director's enterprise afloat for two more weeks. Says Paramount Chairman Barry Diller: "It's not a charitable act, it's a supportive act. Francis shouldn't be shut down. He is a national resource."

Support came from within Zoetrope too: 155 employees took a pay cut, reducing the weekly payroll by $150,000. And some of Zoetrope's lower-cost, but still spectacular schemes have paid off. At Manhattan's 6,000-seat Radio City Music Hall, Coppola presented a refurbished, multiscreen version of Abel Gance's 1927 epic, *Napoleon*, with a live orchestra playing the magnificent score composed and conducted by Coppola's father Carmine. The film grossed $800,000 in just eight showings, and a tour is being planned that may culminate with a film-concert in the Hollywood Bowl. Says Zoetrope's director of special projects, Tom Luddy, who oversaw the *Napoleon* engagement, "Francis is great for me—and for movies. He's a risk taker who likes to gamble everything on his art. I think he'll pull through."

BERNSTEIN—GAMMA LIAISON

The director speaking to reporters on the set of his new movie *One from the Heart*

"He is redefining brinkmanship, but he hasn't defeated himself yet."

Hollywood insiders —and outsiders who want films to provide something more than loss-leaders for the movie theater popcorn sales—are hoping this compulsive gambler will scrape by. Says one young director: "Francis is redefining brinkmanship, but he hasn't defeated himself yet. As arrogant as he is, he's still the only important thing happening in film today. We desperately need him." Jon Davison is even more assertive. When asked whether Coppola will be forced to unload his beloved Zoetrope, Davison quotes a line from Sergio Leone's *Once Upon a Time in the West:* "You don't sell the dream of a lifetime." Indeed, TV Producer Norman Lear's company, Tandem/T.A.T., last week offered $18 million for Zoetrope's facilities. Coppola, still betting he can do it his way, turned it down flat. —*By Richard Corliss.*

Reported by Martha Smilgis/Los Angeles

Let's not sacrifice each other.

In some primitive cultures the perception of guilt required human sacrifices to propitiate the gods and atone for the errors of the people. The concept of the scapegoat arose from this belief.

Ours is not a primitive culture. Yet many Americans are identifying scapegoats and nominating candidates for the sacrificial altar. The list is long enough to satisfy every vengeful appetite — government, the oil companies, labor unions, the military, the schools, environmentalists, auto makers, bankers, the other political party and many more.

The job at hand is to rebuild America's industrial might, straighten out the economy and reclaim our pre-eminence in the world.

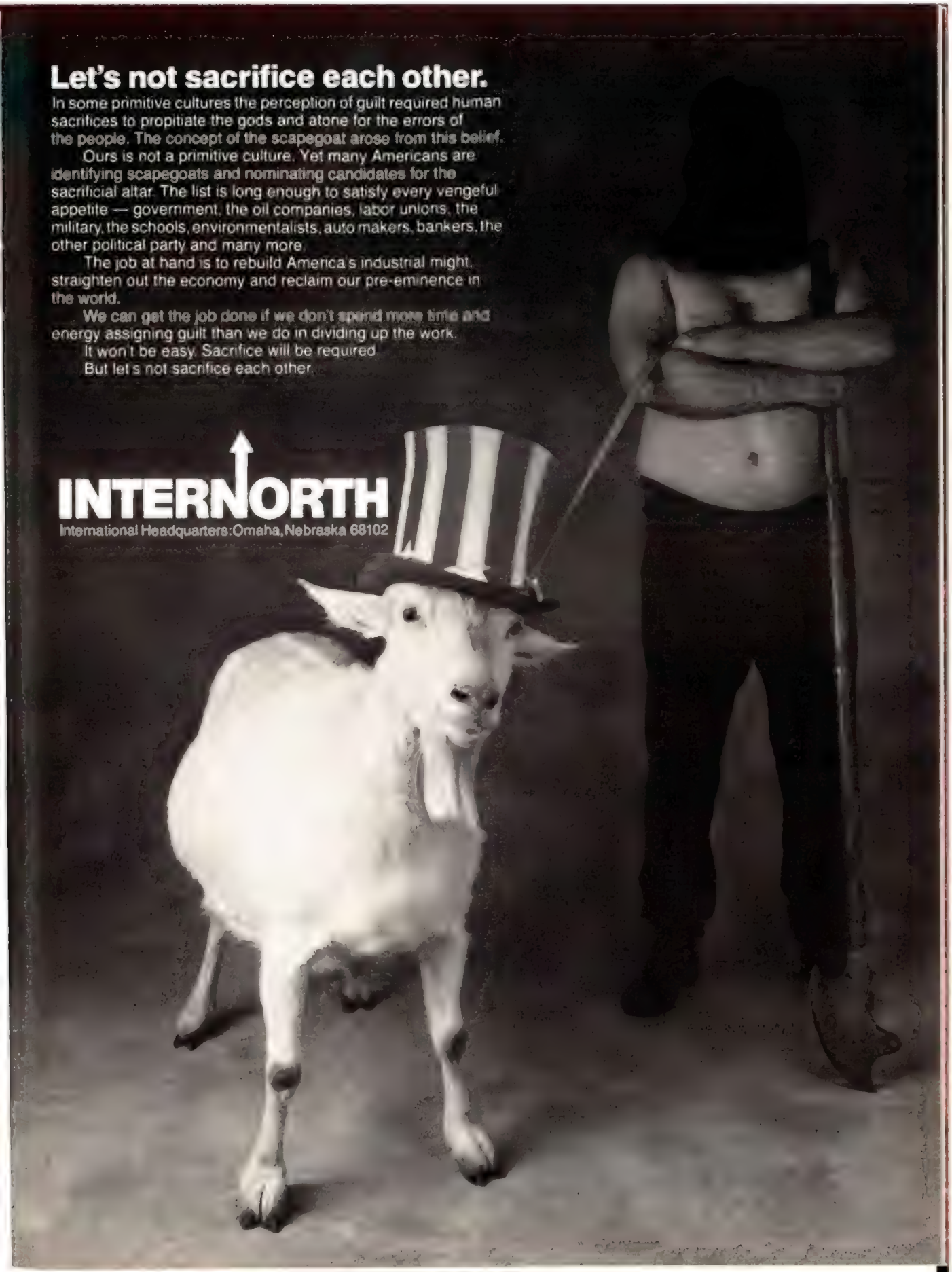
We can get the job done if we don't spend more time and energy assigning guilt than we do in dividing up the work.

It won't be easy. Sacrifice will be required.

But let's not sacrifice each other.

INTERNORTH

International Headquarters: Omaha, Nebraska 68102



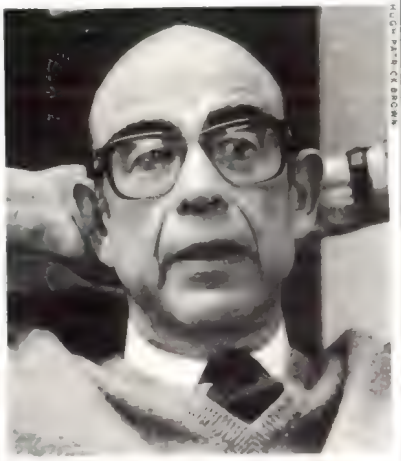
The 2,300-Word *Times* Correction

A diplomat is cleared under curious circumstances

For nearly seven years, Edward Korry, who was U.S. Ambassador to Chile when President Salvador Allende Gossens came to power in 1970, has insisted that he had nothing to do with secret CIA plans to overthrow the Marxist leader. But few believed him. A Senate Select Committee on Intelligence reported in 1975 that Korry had played a major role in the aborted coup; the New York *Times*, Washington *Post* and other publications repeated the charge in numerous subsequent stories.* Korry's eight-year diplomatic career was ruined, and not until 1979 did he land his present job as visiting professor of international relations at Connecticut College.

Then last week, in an extraordinary front-page *mea culpa*, the New York *Times* set about refurbishing Korry's reputation. Headlined "New Evidence Backs Ex-Envoy on His Role in Chile," a 2,300-word article by former *Times* Investigative Ace Seymour Hersh, who still does occasional freelance pieces for the paper, reported that although attempts had been made by the CIA to engineer a military takeover in Chile, "none of this, it is now evident, was known to Ambassador Korry." What the *Times* failed to mention was that the writer who was clearing Korry's name was the man who had written some of the paper's most damaging stories about Korry —and that Korry was now one of Hersh's sources for a book he was doing on Henry Kissinger.

The *Times* article, surely the longest correction ever published in the prestigious paper, was commissioned by Executive Editor A.M. Rosenthal at Hersh's suggestion. Says Rosenthal: "Sy called me and said that he had come across new information that indicated that some of the things we had written about Korry were wrong. My God, if we were wrong in any way I would want to correct it. I asked him to write it for the *Times*." Rosenthal felt the *Times* had a particular responsibility to correct the record. Says he: "We had published [the Korry story] extensively and on the front page. There was no question that we should correct the record on the front page." Rosenthal apparently did not know that much of the evidence cited by Hersh had been kicking around for years or that Hersh had been pressing Korry for help on his book.



Korry in his office at Connecticut College

"Put it in writing. Tell Abe Rosenthal."

While working at the *Times*, Pulitzer prizewinner Hersh had written numerous stories linking Korry with the Chilean debacle. In one article, he reported that Korry was about to be charged with contempt of Congress for misleading testimony before the Senate committee. Says Korry: "Hersh was the first reporter to stick it to me hard." Admits Hersh: "I led the way in trashing him." When Korry protested to Hersh and other reporters that some witnesses had lied to the Senate committee about his role, only one newsman, Joe Trento of the Wilmington (Del.) *News Journal*, investigated the case in detail. In 1976 Trento wrote that Korry had been victimized by other Government officials looking for a scapegoat, but the story was largely ignored by the *Times* and other major news organizations.

Not that Hersh had lost interest in the matter. Korry says the *Times*man approached him on several occasions, first in 1976, offering to report afresh the Chilean story if Korry would talk with him about secret intelligence activities. Korry says he refused as a matter of principle. Hersh heatedly denies that he tried to make such a deal, but concedes that he should have reexamined the Korry case sooner. Says he: "I thought he had withheld information from me when I needed it. I probably punished Korry —unconsciously anyway —for not telling me more."

Hersh in Washington, D.C.

Hersh called Korry again last November. Says the ex-diplomat: "He asked me to help him with his book. I blew up and asked, 'Why should I?' He mentioned that he now knew everything I had told him was true. I said, 'Put it in writing. Tell Abe Rosenthal.' I thought that a responsible editor of a responsible paper would want to correct the record." Rosenthal readily authorized the corrective story. Korry, in turn, says that he then provided the information for the Kissinger project that Hersh wanted. Says Korry: "I've always believed in justice. But there was misreporting by the *Times*, and certain people at the paper knew that." Korry says he is not bitter about the seven years "spent in a kind of isolation ward." As for the *Times's* belated effort to clear his name: "It's a start." ■

*TIME in its coverage of these events gave no great credence to the accusations against Korry, reporting that he was among the U.S. officials who had been accused of and had denied any part in anti-Allende activities, and noting that "they may not have known about the operations."

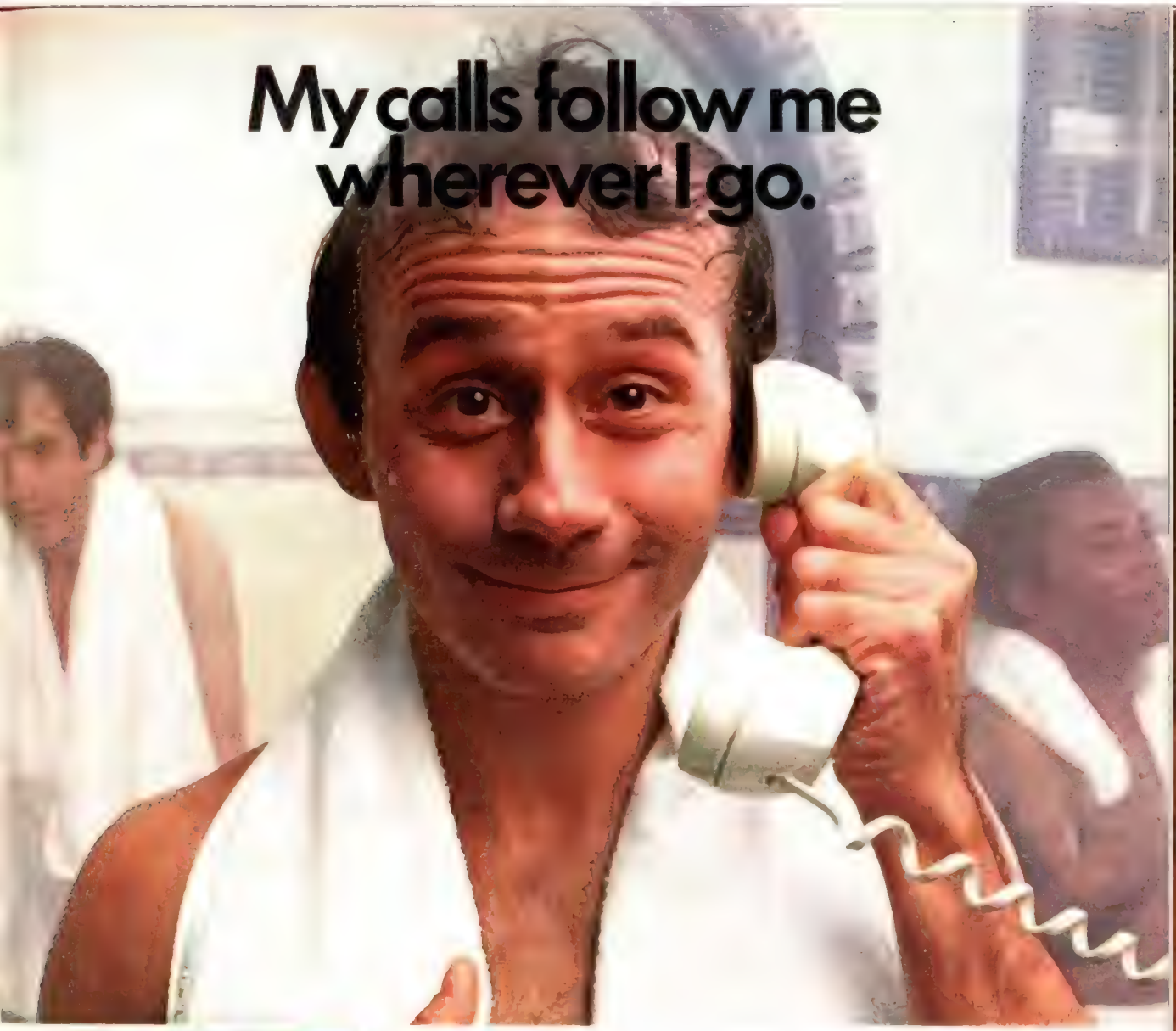
FEC *vs. Digest*

Regulating the news?

Incensed by a *Reader's Digest* article suggesting that Senator Edward Kennedy had lied about Chappaquiddick, a volunteer worker in his presidential campaign filed a complaint with the Federal Election Commission. Identifying herself as "a concerned citizen," Larryann C. Willis of Vale, Ore., accused the magazine of making corporate campaign contributions in violation of federal election laws. She alleged three separate infractions: commissioning a computer study on how fast Kennedy was driving when his car went off the bridge, drowning Mary Jo Kopechne; buying a study of the tides off Chappaquiddick that night in July 1969; and distributing videotapes of the computer re-enactment of the fatal accident to major news organizations.

A hearing on the case is set for this week. The FEC has already ruled that paying for the two studies was not illegal. But the commission found "reason to believe" that the *Digest* had violated election law by sending out videotapes to promote its February 1980 story. Many journalists and First Amendment scholars were alarmed by the FEC move, seeing it as an ominous Government encroachment on press freedom.

Reader's Digest refused to answer 15 questions from the FEC, claiming protection under the First Amendment and pointing out that news stories were exempted from campaign contribution restrictions. The magazine asked a New York federal district court for a preliminary injunction against the FEC investigation. Argued the *Digest:* "The fact of being investigated by the United States Government for alleged violation of a statute carrying criminal penalties has a chilling effect all by itself." Such investigations, it added, "can be a very effective form of censorship." ■



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When Mammon Serves God

The Worldwide Church and financial accountability

Jesus said: You cannot serve both God and mammon. But these days it takes a heap of mammon to serve God. Religious establishments in the U.S. raise $20 billion or more a year. Most of the money is efficiently passed on to an assortment of spiritual and charitable works, with respectably small administrative costs.

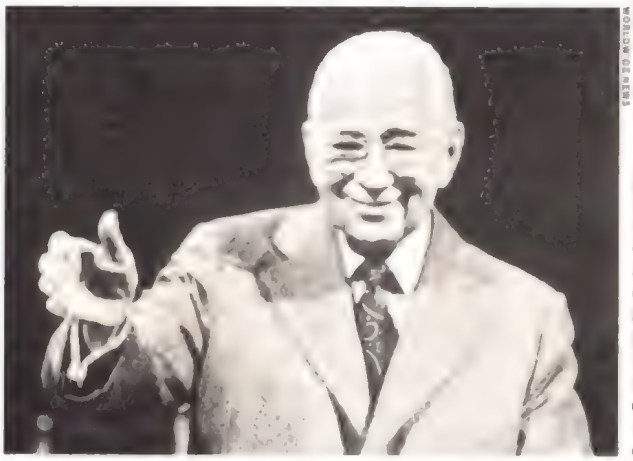
However church money is handled, fiscal accountability is far looser than for other nonprofit organizations, which are required by law to keep records open to the public and follow standard bookkeeping practices. Churches have to meet no such formal standards and have been treated as exempt from government scrutiny under the constitutional guarantee of religious freedom. But more and more, church money raisers these days confront a growing public skepticism about how ecclesiastical cash is handled

With some reason. Between 1970 and 1975 the Roman Catholic Pallottine Fathers of Baltimore were accused by Maryland's attorney general of frittering away some $45 million in mission funds. The United Methodist Church is financially aboveboard, but there are ideological disputes. Last year a layman who works for the AFL-CIO complained that his church had wrongly given $442,000 in aid to "totalitarians" who support revolutionary regimes in Cuba and elsewhere. Church officials contended that helping groups with Marxist ideas was a "risk" modern Christians must take to help the "oppressed."

Many evangelical groups are free from scrutiny. In the monthly *Eternity*, Columnist Joseph Bayly complains that while worthy causes pinch pennies, cash flows freely to high-living evangelists subject only to boards led by relatives and retainers. To allay doubts, nondenominational ministries in 1979 created the Evangelical Council for Financial Accountability (E.C.F.A.) to fix fund-raising standards. Many evangelists, including Billy Graham and Jerry Falwell, have won its seal of approval; others, including Jim Bakker, Rex Humbard, Oral Roberts and Pat Robertson, have not. Bayly advises contributors to demand a financial statement even if a group has the E.C.F.A. seal: "If questions are dodged, assume it is a careless operation at best, fraudulent at worst."

Assuming the worst, the state of California in 1979 seized financial control of an entire denomination, the 68,000-member Worldwide Church of God, charging that vast amounts of money and other assets had been misused. By any standard, the Worldwide Church is unusual. It is ruled by Herbert W. Armstrong, 88, self-styled "Chosen Apostle" of God, who is preparing the one true church for the imminent collapse of world order and Christ's return. Among other things, Armstrong denies the Trinity and insists that Christians should not celebrate Christmas or Easter (considered "pagan" holidays). He inspires fanatical loyalty among followers and fierce enmity among defectors, and deftly uses his radio-TV show, *The World Tomorrow*, and his monthly *Plain Truth* magazine to lure converts. Members contribute a tenth or more of their income, and with proceeds of $66 million a year the church has no trouble financing Armstrong's frequent tours to meet assorted world leaders

Aide Stanley Rader



God's "Chosen Apostle," Herbert W. Armstrong, addressing the faithful

An issue as big as $20 billion, as small as $26 for golf balls

California Attorney General George Deukmejian and a few dissident church members tried to sue church leaders. The state charged the church with not having accounted for an extra tithe fund for the poor, estimated in the millions. It also claimed that the church purchased services from profitmaking companies privately controlled by its own officials. In one year alone, documents showed an outlay of more than $1.7 million on travel and entertainment. Eyebrow-raising details: a $1,520 bill from a Tokyo nightclub and $26 for golf balls to Belgium's former King Leopold

However, the state did not cite an expense that helped trigger the dispute. Armstrong had his church pump more than $10 million into *Quest* magazine and related projects, partly to foster his image as a philanthropist and world statesman. For infuriated dissidents the glossy secular magazine seemed a big waste of church money. Two months ago, *Quest's* top editors quit when Armstrong insisted on writing a story about a pet project of Egypt's Anwar Sadat, whom Armstrong met last fall.

In joining the suit, Deukmejian took a radical step, applying the laws that govern other charities to a church. With a court-approved "receivership," he temporarily froze the church's assets. Armstrong, acting on advice from Lawyer Stanley R. Rader, his chief aide, legally dissolved his church, temporarily dismissed all employees and reorganized as a one-man corporation that is virtually exempt from such suits in the future

In the legal confrontation between California and Armstrong, most major U.S. denominations filed briefs defending the Worldwide Church's position that such an inquiry by the state into the practices of even one unorthodox religion was an unthinkable violation of religious liberty. Last fall, as the long-awaited case was about to reach trial, Governor Jerry Brown signed a bill that denied the state attorney general power to investigate malfeasance in religious organizations except in clear-cut criminal cases. The suit was dropped, and Armstrong's church is suing for millions of dollars from some of those who brought legal action against it.

Whether the events were a triumph for fiscal irresponsibility or for religious freedom, they were clearly a victory for Rader, 50. The aging apostle's longtime traveling companion, Rader was not baptized until 1975 (in a Hong Kong hotel bathtub) and was ordained a minister only in 1979. But he runs the denomination for Armstrong and, despite his disclaimers, will probably assume complete control when Armstrong dies. To anyone who wants to pry into the lavish fiscal ways and means of the Worldwide Church, Rader has a simple reply: We live this way because that's what our members want. Besides, he asks, who ever questions the Pope's expense account? *—By Richard N. Ostling. Reported by Diane Coutu/Pasadena*

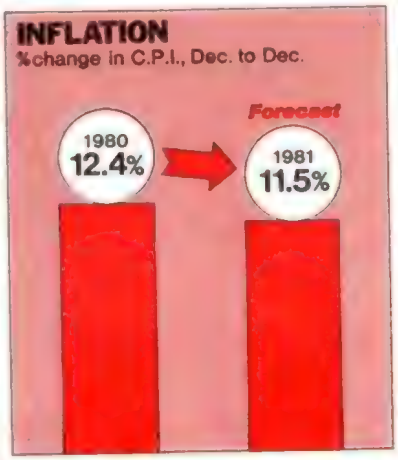
Will Reagan's Plan Work?

TIME's Board of Economists reviews the new Administration's program

Is the U.S. "threatened with an economic calamity of tremendous proportions," as Ronald Reagan told the U.S. two weeks ago? The TIME Board of Economists met last week to review the state of American business and to try to answer that question. The group's consensus: though President Reagan's rhetoric may have been a bit overblown, the economy is indeed in serious trouble. Declining productivity, recalcitrant inflation and the explosion of Government spending have so shackled U.S. business that growth will be sluggish well into the future. Moreover, the time left to reverse that course is growing short. Warned Otto Eckstein, president of Data Resources, an economic consulting firm based in Lexington, Mass.: "The federal budget has tremendous upward momentum. Increases in spending can't go on at the rate of the past ten years, or the private sector won't be able to function any more." Manhattan Economic Consultant Alan Greenspan, who is also a member of Reagan's new Economic Policy Advisory Board, pointed out that towering interest rates are threatening the survival of many American financial institutions. Said he: "A continuation of business as usual will lead us off a cliff."

Reagan's program of deep budget cuts and generous tax reductions is an ambitious, but unorthodox, attempt to revitalize the economy. He hopes these measures will speed growth, slow inflation and balance the budget by 1983. But they could also overstimulate the economy and cause even more inflation. The program has thus worried both liberals and some conservatives. Charles L. Schultze, the chairman of the Council of Economic Advisers under President Carter and a new member of the TIME board, voiced the concern of many Democrats. Said he: "The Administration is pursuing a gung-ho, damn-the-torpedoes, full-speed-ahead policy."

Despite the economy's surprisingly strong performance in the last three months of 1980, when it grew at a 5% annual rate, the short-term outlook for the U.S. economy is somber. TIME's board foresees another year of stagnant production and rising prices in 1981. Interest rates, which rose to more than 20% last December, continue to hurt seriously the all-important housing and automobile industries. The result: the output of goods and services is expected to drop by about .5% in the first half of this year. Concluded Greenspan: "The economy remains weak, and the numbers will confirm this by early spring."



An anemic recovery should begin some time during the summer of 1981, but growth for the year as a whole is unlikely to be higher than 1.5%. Said Eckstein: "Sizable growth in 1981 is almost impossible." Thus the economy will remain at a virtual standstill for the third consecutive year. In 1979 growth was a mere 1.7%, and last year there was no economic expansion at all.

The sluggish economy will be bad news for those looking for a new job. The board believes that unemployment will rise from its current level of 7.4% to 8% by midyear before dropping back to 7.8% at the end of 1981. That will leave about 8 million people jobless for most of this year.

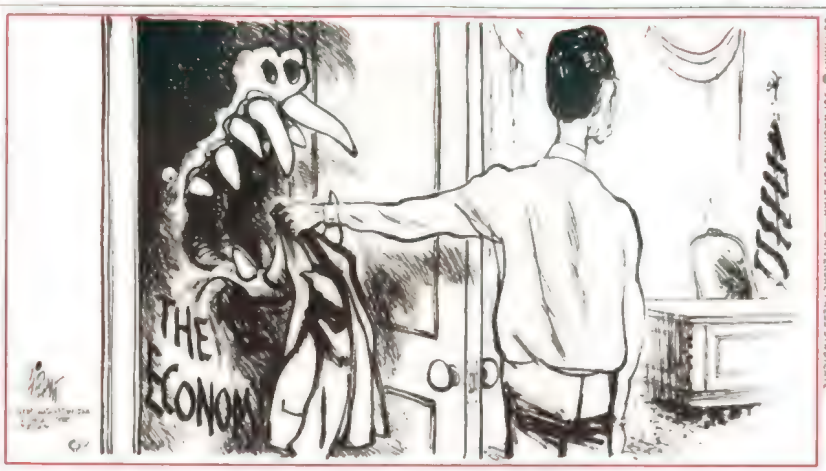
Despite the continuing slow growth, inflation will hardly begin to moderate. Consumer prices jumped 12.4% in 1980, and the TIME board predicts another 11.5% surge in 1981. The first price report of the new year supported that gloomy projection. The Bureau of Labor Statistics said last week that the prices paid by producers and wholesalers rose in January by .9%, or an annual rate of 11.4%. Energy prices led the surge with a 2.7% increase for the month, or 37.7% on a yearly basis.

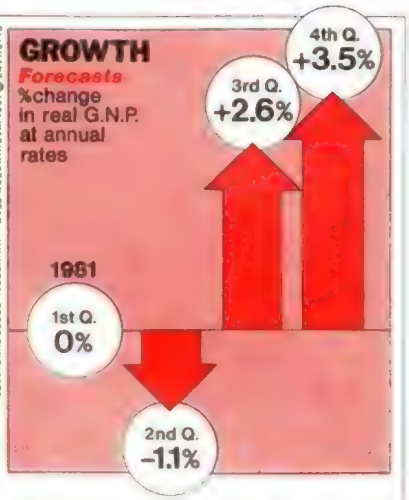
The cost of heating oil and gasoline will climb sharply this winter, in part because of the President's decision three weeks ago to remove all price controls from petroleum products. The action was scheduled to take place in any case in September, but Reagan advanced the date in order to encourage both conservation and exploration for new oil. That will eventually ease the energy crisis, but in the near future decontrol means higher prices.

The outlook for grocery bills this year is also discouraging. The drought that devastated crops last summer in parts of the Midwest and Southeast is still having an impact. In addition, Florida's citrus groves have been damaged by freezing temperatures. Agricultural experts expect food prices to increase by 15% in 1981.

The most ominous inflationary trend is that the temporary energy and food price hikes are now being built into wage demands. That will make it even more difficult for the economy to return eventually to price stability. In the past year, average hourly earnings have gone up about 9% and are still picking up speed. Warned Joseph A. Pechman, director of economic studies at the Brookings Institution: "Wage inflation is at a disturbingly high level. In January hourly earnings rose at more than a 16% annual rate." Rather than protecting workers from rising prices, these wage gains will most probably lead to an acceleration of inflation.

Continued inflation means that consumers can expect only modest relief from the record interest rates. Moreover, Federal Reserve Board Chairman Paul Volcker has repeatedly pledged to keep a firm hand on the supply of money avail-





able to banks until the inflation fever has broken. TIME's board predicts that the prime rate will not fall below 15% by midyear, which would still be 3 points higher than the 12% peak set during the 1973-75 recession. Said Eckstein: "For the next few years, we are projecting that interest rates will stay at unparalleled heights."

Greenspan, however, warned that unless interest rates fall sharply, American savings banks and savings and loan associations will soon encounter a grave crisis. These thrift institutions have many old mortgages on their books, with rates of 10% or less, at the same time that they must pay 15% or more on their new deposits. The result is a growing tide of red ink for these institutions. The Bowery Savings Bank in New York City, for example, last week reported a 1980 operating loss of $60.8 million. Greenspan called this situation a "ticking time bomb" that might provoke a "massive federal bailout of the thrift industry." Such a federal rescue plan would cause a rapid expansion of the money supply and a new outburst of inflation.

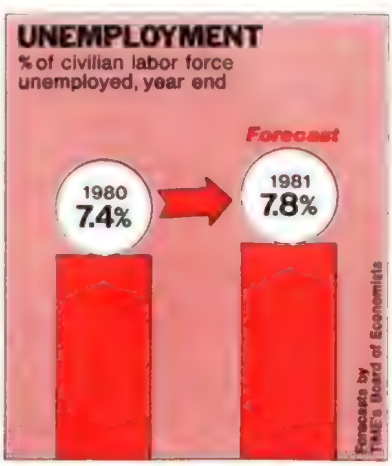
The TIME economists agreed that one of the major problems facing the Reagan Administration is the expectation of sustained price rises. Union leaders, bankers and businessmen have all built so-called inflation premiums into their plans. As a margin of safety in case rapid inflation persists, they add a few extra percentage points to a wage demand, the rate of a loan or the price of a new product. Said Greenspan: "The psychological impact of inflation is greater than at any time in the postwar era." The task of the new Administration will be to convince the American public that these expectations are no longer valid and that price increases will soon start to slow down.

Administration officials argue that tough action to cut the budget would have a major impact on public psychology and cause inflation to decelerate rapidly. They point to the experience of the period between 1974 and 1976, when inflation dropped precipitously, from 12.2% to 4.8%. Greenspan supported that optimistic viewpoint, saying, "If the President succeeds in pushing through these budget cuts, it would be a major watershed in economic policy. The change in inflation expectations could be quite dramatic."

Greenspan, though, was sharply challenged by Schultze, who maintained that inflation has become so deeply embedded in the American economy that it could be removed only by several years of tight budgets and moderate growth. The Reagan program, he asserted, will have no quick impact on either wages or productivity. Concluded Schultze: "I think it is very dangerous to hinge so much on the ability to do this in a hurry because the prospects for disappointment are at least high, and one could really come a cropper."

Pechman warned that the real peril of the Reagan program is that it could fuel inflation. He estimated that the continuation of Government services at their current level and the large boost in defense spending that Reagan wants will generate a federal budget deficit of $50 billion in the fiscal year that starts in October. The President's proposed personal and business tax cuts would increase the deficit by another $40 billion, leaving a daunting Government shortfall of $90 billion. Even if Reagan succeeded in persuading Congress to cut $50 billion in expenditures, the deficit would still be $40 billion. The result of that heavy spending might be yet another jolt to prices. Said Pechman: "Reagan may find that inflation has run away from him before he even gets started on his plans."

Martin S. Feldstein, a Harvard professor and president of the National Bureau of Economic Research, was worried that if the Reagan Administration is successful in fostering faster economic



growth, this would lead to new demands for higher wages and still more inflation. He argued that only the slow business expansion of the past two years has kept pay increases low. Said he: "If the economy is even moderately stimulated and nothing is done to change inflation expectations, I think we could see tremendous pressure on the wage side. We really have to do something in the next year or two, or we will find that we are in a much worse situation."

All the members of the TIME board agreed that carving $50 billion out of Government spending will be difficult. Almost half of the projected 1982 budget, or some $340 billion, goes to so-called entitlement programs like Social Security and the railroad retirement fund, which make payments to individuals that are mandated by law. Another $260 billion is slated for national defense and interest on the federal debt. Reagan has pledged to increase defense spending, and reportedly will propose cuts of no more than $20 billion in the popular entitlement benefits. This means that the President will have to trim about $30 billion from the remaining $160 billion in the budget, which is largely made up of social and public works programs. Schultze called such a slash of almost 20% "highly improbable."

Schultze was surprised at Reagan's apparent decision not to press for changes in the way entitlement programs are "indexed," or adjusted to compensate for the impact of inflation. Many Government benefits, including Social Security payments and civil service pensions, rise automatically in tandem with the Consumer Price Index. Schultze said that during the past three years, the CPI had overstated the rise in the cost of living by more than 5% because it gives too much weight to rising home prices and mortgage rates. Before leaving office, the Carter Administration proposed using a more accurate cost of living index. If that alternative measuring stick had been used for increasing Government payments during the past three years, federal expenditures in fiscal 1982 would be $13 billion lower.

Congress would have to be uncommonly cooperative for the budget cuts to be adopted. Said Pechman: "The kinds of expenditures that Reagan wants chopped all have important political constituencies. It will be a hell of a battle on Capitol Hill." He noted, for example, that some of the reductions in Social Security benefits that Reagan is expected to propose were first recommended by President Carter and rejected by Congress two years ago. One example: the plan to eliminate benefits to college-age students who are children of a retired, disabled or dead Social Security beneficiary was never even considered by a congressional committee. Last year, despite the general public sentiment in favor of spending reductions, Congress passed less than one-third of the $16 billion in total budget cuts and revenue increases that Carter requested.

Some board members, though, felt that the more conservative Congress elected in November could make many of the changes the President will request. Said M.I.T. Professor Lester Thurow: "Reagan may get a lot more of these budget cuts than you would believe based on past experience." Thurow, who was a presidential campaign adviser to George McGovern in 1972, maintained that even liberal Democrats had a reason for supporting the cuts. Said he: "Many Democrats are inclined to let Reagan have what he wants. Then, if the economy is still in a mess in the election years of 1982 and 1984, he'll have to assume all the blame. The phrase is, 'Give him rope to hang himself.' "

Even so, most of the TIME economists doubt that the budget can be trimmed nearly enough to make room for the sweeping 30% slash in personal income tax rates over three years that Reagan envisions. They believe that cuts should be much more heavily weighted toward business to encourage investment

Black-Box Forecasting

For the past generation, Washington policymakers have based their economic projections on econometric models. Pioneered by Nobel Prizewinner Lawrence Klein of the University of Pennsylvania, the models are a series of equations that use past economic behavior as a guide to future business trends. Economists, for example, are able to predict the effects of a tax cut on new car sales.

Some of the Reaganauts, however, came into office wanting to do things differently. Instead of forecasts that use past behavior as the main standard, they based the economic outlook on how business would perform if everything worked out according to their theories. They put those assumptions into their computers, and the results were indeed impressive. Growth next year was to be 7%, and inflation would decline to 6.5% before falling to under 5% in 1985. By contrast, the Carter Administration had predicted 3.5% growth and 9.6% inflation for next year.

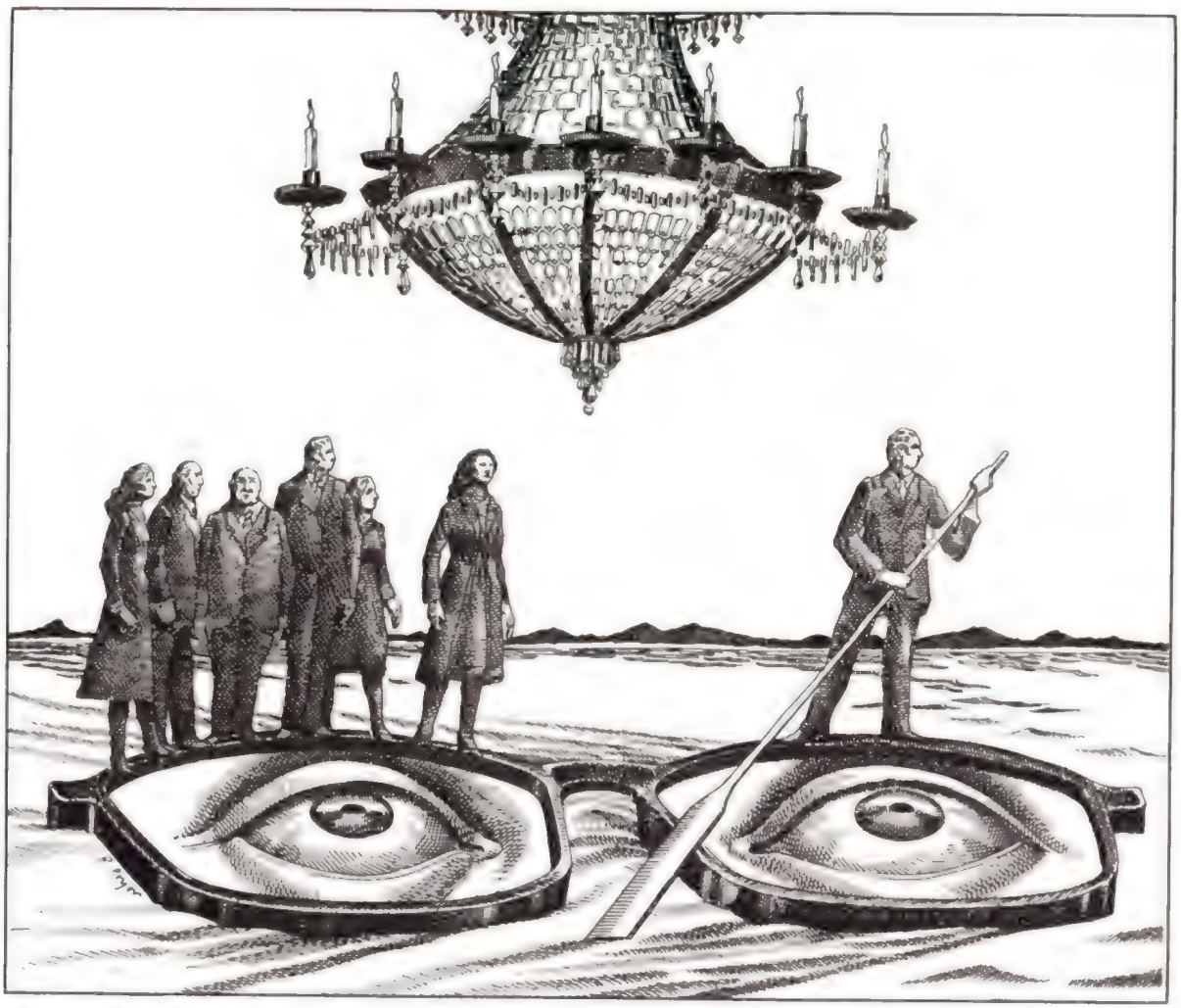
The Reagan Dream Machine was the work of Lawrence Kudlow, 33, former chief economist for the Wall Street investment banking firm of Bear, Stearns & Co., and John Rutledge, 32, head of the Claremont Economics Institute in Southern California. Kudlow, who will soon be named chief economist of the Office of Management and Budget, insists that traditional econometric models are useless now because they do not measure the explosion of work and savings that will occur when President Reagan cuts taxes. Said Kudlow: "We have a new set of ideas, and a traditional model would merely serve to mislead and confuse the American people."

BOBBEY E. BIMS

Optimist Lawrence Kudlow

Other professional economists, however, claimed that it was Kudlow and Rutledge who were misleading people. M.I.T.'s Lester Thurow derided their whole approach on the ground that the two economists were asking people to accept their predictions without revealing how they had been calculated. Said he: "These numbers are being thrown out of a black box. Normally, whether it is a conservative or a liberal Administration, somebody has a chance to complain about the evidence, meet the people face to face, and argue about whether it's right or wrong. These two guys are throwing out projections without ever discussing their methodology." Charles Schultze, formerly Jimmy Carter's chief economist, called the Kudlow-Rutledge predictions "quite radical" and "wishful thinking."

Such grumbling finally had an impact. Conventional economists within the Administration, led by Murray Weidenbaum, chairman-designate of the Council of Economic Advisers, reportedly argued that the Administration had to return to a more traditional econometric forecast or run the risk that its whole program might lose credibility. Last week Kudlow and Rutledge revised their figures and came up with more realistic projections. They now predict that growth next year will be 4%, while inflation will drop only to 8%. That is still too optimistic for many in Washington. Capital wags are now quipping that the highest-ranking woman in the new Administration is named Rosy Scenario.



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in new equipment and thereby boost the supply of goods and services generated by the economy. Most of the money from personal tax reductions, they argue, would be quickly spent rather than saved and invested. Said Thurow: "Reagan's program runs the risk of overstimulating the economy and fanning inflation. The country really needs supply-side economics, but this just isn't supply-side economics."

The board members had several alternative ideas about how to change the tax laws to stimulate savings and investment. Thurow suggested that capital gains taxes be indexed. Under current law, profits from the sale of stock, for example, are taxed even if those gains are merely the result of inflation. Thurow, however, would limit this new tax protection to productive investments like stocks and bonds, rather than ventures like gold, paintings or rare stamps. He also asserted that if the Government were really serious about encouraging saving, it would impose a levy on consumption like the national sales taxes that are common in Western Europe.

Feldstein recommended that Congress focus on tax relief for middle- and high-income taxpayers, who have the greatest ability to save. In particular, he would lower the maximum rate on interest and dividend income from 70% to 50%. He believes that if that rate were lowered, upper-income taxpayers would invest more of their money and switch a great deal of cash from unproductive tax shelters like real estate into stocks and bonds, which provide funds for industrial growth.

Though the TIME economists quibbled about the precise tax changes or the types of budget cuts that are best for spurring the economy and productivity, there was no disagreement about the need to take action. Said Thurow: "This is not a crisis. It is a disaster. If you imagine the productivity trends continuing for a decade the way they have gone for the last four years, that's just a national disaster. We really are facing what England faced just after 1900 when we passed them in terms of per capita income."

President Reagan this week will make another attempt to convince the American public that the U.S. economic situation demands daring and drastic measures, when he unveils the specifics of his budget reductions and other proposals in his first speech to Congress. If he fails to show the people and members of Congress that action must be taken, the economic malaise of the past few years could worsen rather quickly. Said Greenspan: "Time is of the essence; this is a very serious period. We may have a small window of opportunity to resolve this problem—perhaps a year. More than at any time I can remember, the outlook depends on the success or failure of economic policy." —*By Charles P. Alexander*

Good Profits from Bad Times

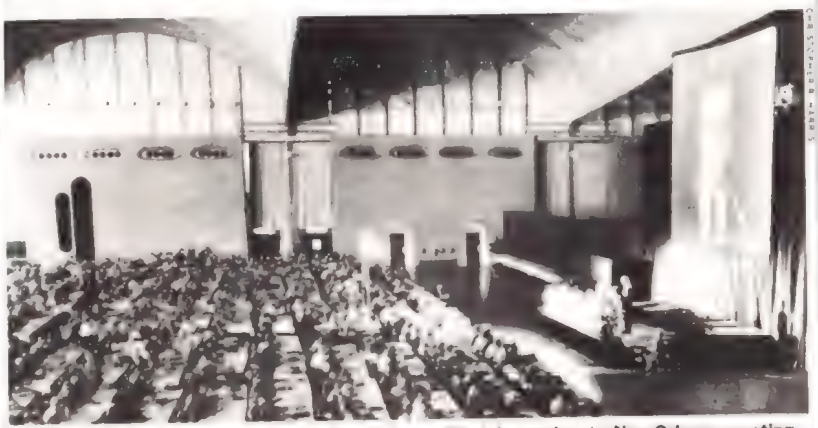
Boom in the gloom-and-doom business of investment seminars

They are the rock concerts of the 1980s. "Woodstocks for rich people," one promoter calls them. But instead of long-haired musicians, the stars of these extravaganzas are investment counselors, who generally hurl around wildly pessimistic prophecies about the future of the economy. Best-selling Author Douglas R. Casey (*Crisis Investing: Opportunities and Profits in the Coming Great Depression*) last month told an Orlando, Fla., gathering of 2,100: "We are facing the greatest depression in the history of the world." And Howard J. Ruff (*How to Prosper During the Coming Bad Years*) predicted the destruction of the dollar: "We will look back on 20% inflation with nostalgia."

Last November, 4,500 people paid up to $445 each to attend his National Committee for Monetary Reform Conference.

The people who attend the three- to five-day conclaves are primarily successful businessmen, doctors and attorneys. They are seeking advice on beating inflation and place great emphasis on personal contact with their investment guru. Explains Economist Eliot Janeway, who runs his own seminars: "People go for the same reason that they go to church instead of staying home and reading Scriptures. They like to hear the sermon."

Speakers like Ruff and Rukeyser are paid as much as $10,000 for each appearance, but that is only part of the lure. The real attraction for many is the unparalleled opportunity to hawk their high-priced newsletters, books and cassette tapes. Notes Rukeyser: "I'm often the only one there who isn't selling anything."



His TV image looming behind, Metals Expert James Sinclair speaks at a New Orleans meeting

At the "rock concerts of the '80s," some financial gurus make $10,000 a speech.

Investment seminars have become regular events at vacation spots in Florida and California. This weekend some 1,600 people are expected to pay up to $445 each for a five-day marathon at Miami Beach's Fontainebleau Hilton. They will hear an all-star lineup that includes Ruff, Casey, Economist Arthur Laffer, Metals Expert James Sinclair and Television Host Louis Rukeyser.

Like rock concerts, the seminars can be phenomenally profitable for both the stars and the promoters. The impresario behind this weekend's gala is Charles E. Githler III, 24, who dropped out of college in 1976 to devote his full time to real estate speculation in Florida. Githler organized his first International Investors Forum in San Francisco three years ago, attracting 1,400 people at $450 each.

The superstar of seminar promoters is James U. Blanchard III, 37. He organized his first seminar in 1974 to help drum up support for his personal campaign to legalize investment in gold. Blanchard charges more than $1,000 a person for his elegant sessions, which are held in Bermuda and other resort spots.

The standard sales pitch on the investment circuit is fear and more fear. Most speakers describe the economy as falling too fast to be rescued by any Administration. They urge audiences to put their money in tangible products, such as gold, diamonds, real estate and Persian rugs.

Casey, 34, has advised audiences to leave their property in a basement safe instead of a safe-deposit box or to speculate in the real estate of countries such as Chile and Colombia when, he says, political troubles have depressed land prices. "Buy when blood is running in the streets," he says. Lately, however, Casey has been advising people to plunge back into the stock market, since he believes the Dow Jones index will hit 3000. Most other Cassandras on the seminar circuit disagree, and for good reason. Should Casey's optimism prove justified, it could be the undoing of the lucrative gloom-and-doom business. ■

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Chairman McGowan: dialing for dollars

Ma Bell's Rival

MCI battles with A T & T

A Lilliputian among telephone companies (1980 revenues: $205 million), MCI has spent most of the past decade battling the industry's Gulliver, A T & T (1980 revenues: $50 billion). Not only that, but the tiny competitor has often been successful. Since its founding in 1968, MCI has steadily chipped away at Ma Bell's lucrative monopoly in long-distance business calls. Now, with the help of American Express, it is aggressively entering the long-distance market for household phone calls.

In an experiment begun last month, Amex is offering MCI's cut-rate telephone service to about 120,000 of its 9.5 million cardholders. Early interest has been encouraging. The MCI offer has drawn three times the usual response for a direct-mail campaign. The new agreement will enable American Express to move deeper into the communications business, where it has already been active through a cable TV partnership with Warner Communications. It will also help MCI by giving the company a new market for its already existing telephone service. Says Chairman William McGowan: "With its cardholders, American Express can fill our phone system for the next couple of years."

Washington, D.C.–based MCI was founded by McGowan, 53, a Harvard Business School–trained entrepreneur who correctly foresaw a market for cheaper long-distance phone service using new microwave technology. In 1972, MCI began selling business clients its telephone service between a few heavy-traffic cities, including New York, St. Louis and Chicago. The calls are beamed by microwave among the 3,200 communities in the MCI network, then transferred to local Ma Bell lines and carried to customers. Modern technology and lower overhead have dramatically reduced the cost of long-distance calls for MCI's clients. For example, a 4½-minute daytime business call between New York and Boston costs Bell customers $1.74, but those who use MCI only $1.28.

The new company, though, had to file long pleas with the Federal Communications Commission and wage endless court battles with A T & T before its service could be established. In landmark decisions in 1969 and 1971, the FCC allowed MCI and all other competitors to break Ma Bell's 50-year monopoly on long-distance calls. Last June a Chicago federal court ruled that A T & T had to pay MCI $1.8 billion in damages, because the telephone giant would not allow it to use A T & T lines to relay calls between 1971 and 1975. It was the biggest antitrust judgment ever, and A T & T has appealed the ruling.

On the basis of its success in attracting 85,000 business customers, MCI is now going after private clients. Since last March, MCI has used sometimes stinging advertisements to attract 200,000 new household customers. Example: "If you're still using Bell for long-distance calls, you must be one of their major stockholders." Subscribers pay a $5 or $10 monthly fee for access to the MCI telephone network. By punching 22 digits (twice as many as the usual eleven) on a push-button phone, customers are connected with a computer that routes their calls along MCI's microwave relay system.

Even though it is expanding its service areas, MCI still does not reach the entire country. Some customers report that connections are often not as clear as with A T & T and that MCI's circuits are sometimes overloaded. But lower long-distance tolls can make the frustration and double dialing worthwhile. An evening residential phone call via MCI usually costs only about half as much as with Ma Bell.

Other companies are also trying to get a share of the long-distance telephone business. I T & T, Western Union and Southern Pacific are competing in the residential market. And Satellite Business Systems, a joint venture of IBM, Aetna Life & Casualty, and Comsat, will soon launch a second satellite that will beam business telephone calls around the country.

So far, McGowan's strategy for taking away business from the Bell System has been paying some handsome returns. Between September and December, the company's revenues jumped 63%, to $61.6 million, and profits rose 46%, to $5.1 million. McGowan now plans to expand MCI service into Florida, Oregon and Washington. The Lilliputian of the telephone business is starting to grow up. ■

On the Rocks

Seatrain Lines goes bankrupt

Seatrain Lines, a troubled cargo-ship operator, would have foundered years ago without the aid of a friendly and very wealthy benefactor: the U.S. Government. While an emotional national debate erupted over $1.5 billion in federal loan guarantees for Chrysler, Seatrain has quietly received nearly $450 million in Government financial assistance since 1972. Despite the federal largesse, however, Seatrain last week finally ran on the rocks. Three Italian companies who together were owed more than $1 million by Seatrain pushed it into bankruptcy proceedings.

Seatrain's problems began in 1969, when it started constructing large oil tankers at New York's old Brooklyn Navy Yard. Although the company had no shipbuilding experience, the U.S. Maritime Administration provided $100 million in construction subsidies for the shipbuilding, as well as loan guarantees for most of the remaining costs.

The shipbuilding effort very quickly became a disaster. The inexperienced workers pushed up labor costs at exactly the same time that the market for oil supertankers was dying, after the 1973 escalation of oil prices decreased the world's demand for crude, and thus for crude carriers. Seatrain was forced to sell two of its vessels in 1973 at sacrifice prices. The remaining two sat idle or were chartered for less profitable short hauls for three years before they were eventually used to carry crude from Alaska's North Slope. In 1975 Seatrain decided to close the shipyard, but then another Government agency, the Economic Development Administration, stepped in with $50 million in loans to keep it operating.

Meanwhile, Seatrain's container freight operation was falling apart in a whirl of scandals and bad business. The firm had to pay the Government nearly $1 million in penalties for making kickbacks to shippers and about $500,000 for unpaid import duties.

During the fourth quarter of last year, Seatrain's losses totaled more than $150 million. When bankruptcy papers were filed in a New York court last week, the company, which had shrunk to just 550 employees, owed an estimated $200 million to some 3,500 creditors around the world, including $150 million to Chase Manhattan Bank. But the biggest potential loser, with another approximately $335 million in outstanding loans and loan guarantees, may be the Federal Government. ■

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EVITA PERÓN
Feb. 23 and 24; NBC; 9 p.m. E.S.T.

This is a part any actress would die to play. One actress did: the '40s radio performer Eva Duarte. At 17 she was an ambitious ingénue who moved up by sleeping around; at 27 she was the First Lady of Argentina, the power behind Juan Perón; at 33 she was dead of cancer. She was one smart cookie, laced with strychnine—Eva Brains and Evita Braun. As a wily teen-ager, she ran through lovers like a bull on the pampas; as Señora Perón, she stalked the *corridas* of power, sniffing for the blood of old enemies. Young Eva told a colleague she wanted to play the great ladies of

Faye Dunaway as the dictator's lady

One smart cookie, laced with strychnine

history: Joan of Arc, Queen Elizabeth, Lucrezia Borgia. Her wish was her destiny and her doom. Fate and a will of steel cast her as the avatar of all these women, and when she died her grieving lover was the nation.

Faye Dunaway, the Evita of this four-hour TV movie, has the cool, carnivorous intelligence needed to play a dictator's doxy. When the material is tepid, she puts a fire under it to make it percolate. When given a strong scene, like the dying Evita's farewell radio address, she can key several moods—weariness, coquetry, defiance—while providing the scene with a swift climactic kick. But Writer Ronald Harwood and Director Marvin Chomsky allow too much of *Evita Perón* to glide by on casters; and James Farentino, as Perón, looks and acts as if he could be Robert De Niro's older brother who went into accounting. One brief scene—in which Eva greets her new lover Juan with her arms and a leg sticking out seductively from behind an easy chair, like a Marcel Duchamp construction with moving parts—hints at the vibrant high camp to which *Evita Perón* might have aspired. The rest is as drowsy as a hot Sunday in Buenos Aires. —*By Richard Corliss*

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BALLOT

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If we all speak up, Washington will listen.

Lue Thao's widow with infant son and other family members in St. Paul

Medicine

Mystery Deaths in the Night

Disease detectives are stumped by a Laotian malady

When the pastor of the Holy Trinity Lutheran Church in St. Paul arrived at the church early one morning this month, he tried not to wake the Laotian refugee family that had been staying in the basement while waiting for permanent lodging. Suddenly Cha Mang, one of the refugees, appeared and beckoned the clergyman to follow her to the room where the family, which had arrived in the U.S. just five days earlier, slept. There she pointed to the bed where her husband Lue Thao, 36, was lying. Lue Thao was not asleep; he was dead.

Lue Thao was the tenth Laotian to die mysteriously in Minnesota, Iowa and Oregon since October 1979. About 21,000 Laotian refugees settled in these states in the past seven years.

The deaths have a puzzling pattern. All the victims were men, ages 25 to 50, and apparently healthy. Each died between midnight and dawn, presumably while asleep. Sometimes the deaths were preceded by heavy breathing and nightmarish screams. Says a St. Paul–area medical examiner, Michael McGee: "The autopsies have been uniformly negative. We're really quite baffled."

Nine of the victims belonged to the Hmong tribe, and tribal leaders theorize that the deaths are a delayed reaction to what they believe was nerve gas dropped by North Vietnamese forces in retaliation for Hmong support of U.S. efforts in Viet Nam and Laos. Dr. David Paulson of the St. Paul health department does not buy that notion: "Nerve gas usually kills instantaneously and it does not discriminate between the sexes." Indeed there is no firm evidence that any of the victims had even been exposed to chemical agents in their homeland or that the North Vietnamese ever possessed any nerve gas.

Another possibility put forth by the Hmong is that the deaths are related to stress and depression brought on by their relocation to the U.S. Says Tou-Fu Vang, who works in a federal refugee resettlement program: "The Hmong were kings of their area in the mountains. Now they find themselves in a situation that is completely out of their control."

Medical Examiner Larry Lewman in Portland, Ore., offers several possible explanations. The victims may have suffered from sleep apnea, a disorder characterized by halts, usually brief, in breathing during sleep. Or, as Lewman thinks is more likely, there may have been some disturbance in the electrical conduction system that governs heartbeat. He also notes a similarity to *bangungut*, or "nightmare" syndrome, a condition that strikes Philippine males and may be related to eating rice or special sauces for meat or fish. "The victims go to bed, thrash and cough and cannot be resuscitated," he says.

A representative of the federal Centers for Disease Control in Atlanta last week met with officials in Minnesota. Their preliminary investigation did not reveal evidence of a communicable disease, an inherited malady or exposure to a noxious agent. The mysterious deaths have, however, had an easily identifiable side effect: an increase in homesickness. Says Si Thao, an interpreter for Lue Thao's widow: "She has no skills, no education and she cannot speak English. Now she has no husband. All she wants to do is go back to Laos." ■

Sport

The Fixer

A hood sings of point shaving

"I'm the Boston College basketball fixer. It was a day's pay, it was interesting and it gave me a nice feeling."

With those smug words, a small-time criminal with big Mob connections claimed that he pulled off a scheme to attempt to fix the scores of nine Boston College basketball games during the 1978-79 season. In a first-person account in last week's SPORTS ILLUSTRATED, Henry Hill says he bribed three Boston College players, including Co-Captains Ernie Cobb and Jim Sweeney, to shave points so that Hill and his friends in the Tommy Lucchese crime family could gamble successfully against the point spread.

Hill, described by New York City police as a "knockabout felon," served as an errand boy for the Paul Vario faction of the Lucchese family. When Hill was arrested on narcotics charges last year, he agreed to testify against his former friends in exchange for federal protection. Among Hill's revelations—which included solid leads in a $5.85 million heist from a Lufthansa terminal at New York's Kennedy International Airport in 1978—were charges that almost as a sideline, he had rigged the outcome of Boston College games. According to Hill, he became involved in the scam when a former penitentiary pal introduced him to a friend of a Boston College reserve forward, Rick Kuhn. Kuhn allegedly enlisted the services of Sweeney, an honors graduate who proved to be a sharp negotiator, Hill asserted, indicating games that could easily be rigged and bargaining for payoffs even when the point shaving was unsuccessful. Sweeney and Kuhn suggested cutting Cobb in on the deal because, as the team's top scorer, he could most affect their attempts to beat the spread. In fact, of the nine games involved, three times the players were unable to deliver, and the spread held. The deal, Hill contended, was struck at meetings in various Boston hotel rooms and netted the players as much as $2,500 a game. Hill said he cleared some $100,000 in eleven weeks of placing bets on the rigged games. The players deny all of Hill's allegations of payoffs and point shaving.

Boston College Coach Tom Davis has reviewed the allegedly fixed games and has said he can find nothing to indicate that his players had done less than their best. But he and other college coaches no doubt shuddered at Hill's succinct summation of his scam: "Point shaving is sneaky ... Kids have made thousands of bad passes by mistake for nothing, so what was so bad about making just one more bad pass and getting paid for it?" ■

The Gas Option

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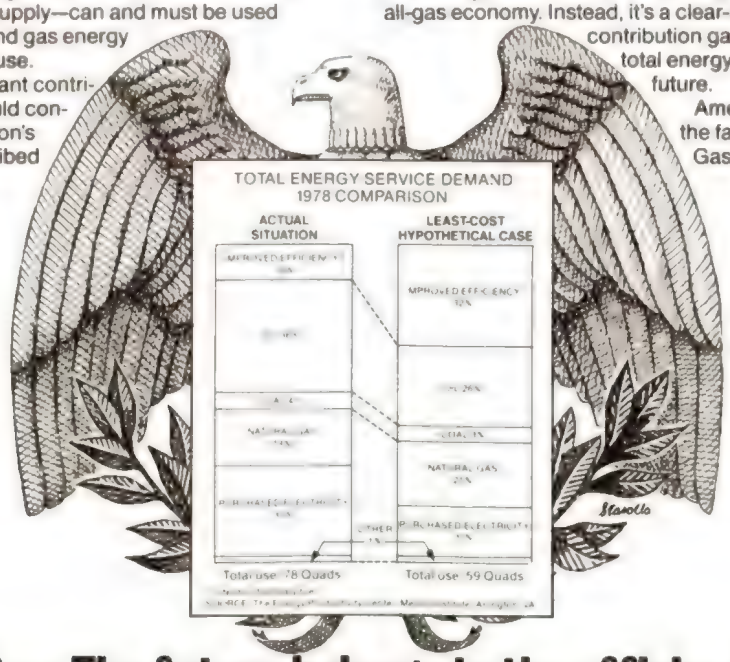
The critically important contribution gas can and should continue to make to our nation's total energy mix is described in a recent study released by the Mellon Institute. The study, titled *The Least-Cost Energy Strategy,* makes a persuasive case for encouraging the most efficient mix of energy forms in the U.S. residential, commercial, and industrial sectors.

As the chart below shows, a truly economic and efficient pattern of national energy use over the past 10-15 years would have resulted in a 24 percent reduction of energy use overall. Oil use would have been reduced by 28 percent; electricity by 43 percent. At the same time, industrial gas use would have *risen* by 68 percent—resulting in a slight increase in total U.S. gas consumption.

And it is worth noting that in 1979 alone, increased industrial use of gas actually offset an average of 435,000 barrels of imported oil per day, thus saving the United States approximately $3.5 billion in foreign exchange payments.

Consider the gas option. It's no panacea for all current energy woes. Nor an unthinking endorsement of an all-gas economy. Instead, it's a clear-eyed appraisal of the contribution gas can make to our total energy mix—now and in the future.

America cannot ignore the facts. That's what the Gas Option is all about.†



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Milestones

DIED. Olivier Rebbot, 31, French freelance photographer; of injuries received on Jan. 15 when he was shot by a sniper in San Francisco Gotera, El Salvador, while on assignment for *Newsweek;* in Hialeah, Fla. Rebbot was the second journalist to be killed and the third to be wounded this year in the civil strife in El Salvador. Another, American Freelance Writer John J. Sullivan, is missing and presumed dead.

DIED. Bill Haley, 55, singer and guitarist who combined blues, country and pop influences into a pioneering rock-'n'-roll style on such hit records of the 1950s as *Rock Around the Clock, Shake, Rattle and Roll* and *See You Later, Alligator;* presumably of a heart attack; in Harlingen, Texas. Haley and his band, the Comets, continued to tour the U.S. and Europe during the '60s and early '70s, but he was overshadowed by later rock performers whom he had influenced, including Elvis Presley and the Beatles.

DIED. Katherine ("Ketti") Frings, 61, versatile novelist, screenwriter and playwright whose film credits include *Come Back, Little Sheba* (1952) and *The Shrike* (1955), and who won a Pulitzer Prize in 1958 for her stage adaptation of Thomas Wolfe's *Look Homeward, Angel;* of cancer; in Los Angeles.

DIED. Julien Levy, 75, influential art dealer and writer whose gallery was a center during the 1930s and '40s for surrealism and neoromanticism, presenting the first New York exhibitions of such artists as Max Ernst, Alberto Giacometti, Arshile Gorky, Man Ray and Joseph Cornell; in New Haven, Conn.

DIED. Jack Zuinglius Anderson, 76, California rancher who was elected to seven consecutive terms in the U.S. House of Representatives beginning in 1939, and later served President Dwight D. Eisenhower as a congressional liaison specializing in farm legislation; of a self-inflicted gunshot wound; in Hollister, Calif.

DIED. James Doyle, 83, vice admiral who in 1950, while serving in the Korean War under General Douglas MacArthur, brilliantly commanded the amphibious landing of the First Marine Division at Inchon, leading to the liberation of Seoul from Communist troops, and later oversaw the two-week evacuation of 200,000 soldiers and civilians from Hungnam under heavy enemy fire; in Oakland, Calif.

DIED. Bruce Austin Fraser, 93, deceptively mild-mannered admiral who served from 1948 to 1951 as Britain's First Sea Lord and Chief of Naval Staff, after having distinguished himself in World War II through exploits like commanding the force that sank the 26,000-ton German battleship *Scharnhorst* off Norway in 1943; in London.

Dinia Anariba
Age: 10 years
Central America

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Man about town.

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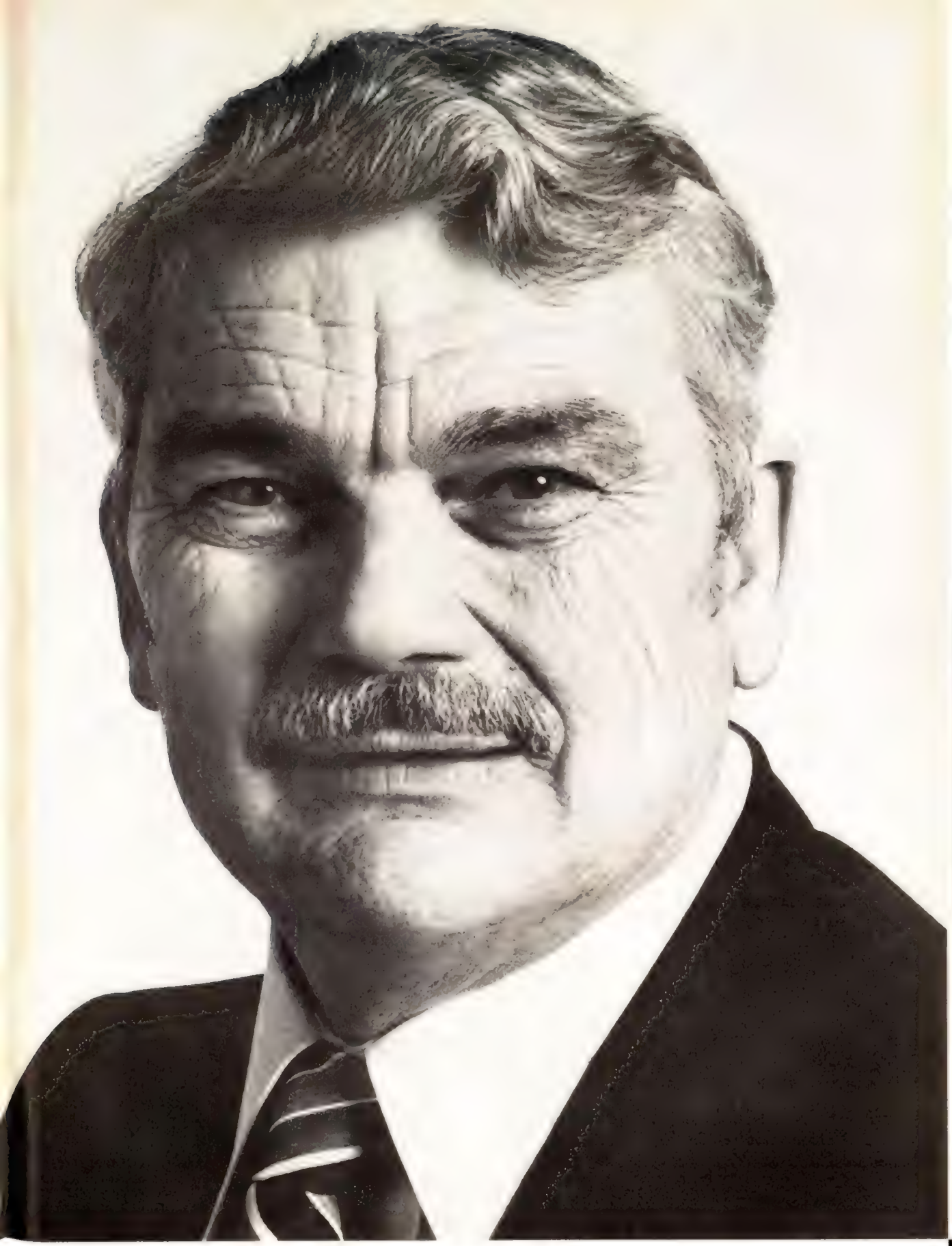

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Cynthia Dwyer, the "53rd hostage," reunited with Husband John

Dickie and Gunther Gebel-Williams break bread together

"Looking for a good story," aspiring Journalist **Cynthia Dwyer,** 49, borrowed $500 from her mother last April and caught a flight to Iran. Last week she returned with what she admits may be "the only exclusive I'll ever have." To get it, she endured nine months in a Tehran prison, a trial on espionage charges, conviction and finally deportation. Delighted to be back in Amherst, N.Y., with her husband and three children, the "53rd hostage" was saving most of her experiences for a book she plans to write. Dwyer did say that she had been duped into and subsequently arrested for agreeing to participate in a "plan" to free the hostages. "I think they wanted to grab somebody after [the rescue attempt in] Tabas," she explained. "I was a very convenient, naive person to grab." Dwyer was not under "heavy pressure" to confess. Said she: "I think they just wanted to say to their people they'd finally caught a spy."

■

The aim is the same as Phileas Fogg's, the means even less down to earth. In a gossamer-thin (.004 in.) polyurethane balloon rigged with a 14-ft. by 10-ft. unpressurized gondola, famed Aeronaut **Maxie Anderson,** 46, set out from Luxor, Egypt, last week, along with fellow Businessman and Adventurer **Don Ida,** 47. Their plan: to travel eastward around the world—south of Iran and the U.S.S.R. (hostile airspace), south of the Himalayas (deadly to balloons), over the Pacific and North America to an eastern Mediterranean landing spot—in less than ten days. To complete the high-speed journey, the eleven-story-high, helium-filled *Jules Verne* would fly 30,000 ft. high, where it would be propelled by 150-mile-an-hour jet streams. The two Americans would face average temperatures of −50° F. and air pressure so low that even with oxygen masks, breathing may be difficult. Said Anderson, owner of an Albuquerque mineral firm: "If we can pull this off, I want to lead the first mining expedition into space. It just might be possible." Not so fast. At week's end, the pair was forced down near New Delhi, and it was not known whether the *Jules Verne* would rise again.

The *Jules Verne* ascending

■

They graduated from high school together in 1930, and had not seen each other since. He went off to college, eventually founding a Nebraska radio station. She married the local soda jerk, who eventually became Vice President. Then, in 1979, shortly after the death of his wife, **Max Brown,** 68, decided to write a letter to his former Huron (S. Dak.) High School classmate. **Muriel Humphrey,** Hubert's widow, also 68, quickly responded, and Max ventured to ask her out to lunch. Eighteen months later —and a week before Valentine's Day—the two were quietly married. Her four children and ten grandchildren and his two children and five grandchildren attended the ceremony at Humphrey's Tonka Bay, Minn., home. Said one family member: "There was not a dry eye among us."

■

Celebrated Animal Trainer **Gunther Gebel-Williams,** 44, regularly cavorts with leopards, tigers and elephants, but this year he is really sticking his neck out. The latest addition to Williams' act at Ringling Bros. and Barnum & Bailey Circus: one-year-old Dickie, the Big Top's first trained giraffe since Edith retired in 1938. Dickie has been studying with Williams since infancy. "Just ten minutes at a time," says Gunther. Dickie's attention span being inversely proportional to his neck size. So far, he has learned to strut out into the ring with a cadre of elephants—"They've never seen anything like him," confides Williams—and then mount a rotating drum with Gunther's ten-year-old son Buffy on his back. This, says Dickie's proud master, "is a big success for a giraffe." *—By Claudia Wallis*

Muriel and Max—just married

Show People

THE LAST METRO
Directed by François Truffaut
Screenplay by François Truffaut, Suzanne Schiffman and Jean-Claude Grumberg

Here François Truffaut does for theater people what he did for film folk in 1973's *Day for Night:* he makes charming sense of their idiosyncrasies in a story that combines amused tolerance for their odd ways with a tender regard for their idealism. The earlier film showed how a movie company on location seals itself off from the outside world and creates its own vivid reality. *The Last Metro* focuses on a theatrical company trying to operate in German-occupied Paris during World War II while surrounded by Gestapo agents, censors, black-marketeers—an external reality too insistently harsh to be so easily avoided.

The company's resident genius, Lucas Steiner (Heinz Bennent), is Jewish and has gone underground—literally. His actress-wife Marion (Catherine Deneuve) has fixed up a secret apartment for him beneath the theater's stage. Steiner listens to rehearsals and directs a new production by giving his notes to his wife during her nightly visits. By day, she tries to cope with her bumptious leading man (Gérard Depardieu), who is involved in the Resistance, and the affection that grows between them almost unconsciously. The chief menace is a smart, epicene drama critic and Nazi collaborator who senses the supposedly exiled Steiner may be near at hand

What protects the company is its members' innocence. Aside from Marion, none knows of Steiner's substage presence. But a larger innocence is also at work: theatrical unworldliness. There may be a war on, but the ambitious little ingénue is still trying to advance her career by fair means or foul; Depardieu has to try to bed the costume designer; and Deneuve's attentions are divided between her inconvenient connubial obligations and her need to preserve her image and her threatened theater. Such preoccupations armor them against the ugliness of life under the Nazis. They will do what they imagine God put them on earth to do, which is to practice their art.

Deneuve and Bennent in *The Last Metro*
Erotic without a button being unbuttoned.

Like all obsessives, they are at once silly and brave. They are also—without alluding to it—very honorable in their refusal to allow perverse authority to interfere with their art. The play that absorbs them may or may not be any good; they think it is, and that is what matters.

Deneuve, more beautiful than ever, displays a knowing humanity, and a sensuality she rarely shows in film, where she has been used more as icon than actress. When she and Depardieu finally acknowledge their passion for each other, there is a sheer eroticism—without so much as a button being unbuttoned—that one finds in few movie love scenes. Throughout, the film is wise and funny, and uninsistently, even casually, profound in what it has to say about the perdurability of art. —*By Richard Schickel*

Sanforized

THE INCREDIBLE SHRINKING WOMAN
Directed by Joel Schumacher
Screenplay by Jane Wagner

Lily Tomlin and Jane Wagner are determined that this time nothing shall go wrong. Their last film, *Moment by Moment,* about an affair between a bored housewife (Tomlin) and a young drifter (John Travolta), was the movie catastrophe of 1978. Now they would play it safe by playing it funny.

They would proceed from a strong premise—*The Incredible Shrinking Man,* a deadpan 1957 sci-fi thriller—and give it a feminist twist. While the original protagonist shrank from a dose of radiation, Tomlin's happy homemaker would suffer from exposure to the mysterious ingredients in supermarket products: everything from "tumescent tissue of bull scrotum" to a mad scientist's most corrosive chemicals. The audience would know when to laugh: at the sight of a madcap chase, at a friendly gorilla, at Talk Show Host Mike Douglas. The resulting movie is sometimes very funny. It also represents a waltz step toward popular acceptance by a performer tired of being worshiped by the few. Like former cult favorites Chevy Chase and Steve Martin, Tomlin has made a laff-a-minute movie that will offend nobody—except the comic's most ardent fans, who will buy tickets and then yell, "Sell-out!"

Tomlin in *The Incredible Shrinking Woman*
Brains are both washed and presoaked.

Shrinking Man worked well as a parable of mankind's impotence and heroism in the atomic age. Slowly and irrevocably, the bland hero withdraws into his Sanforized shirt, moves into his child's dollhouse, tumbles into the cellar and slays a now giant spider with a straight pin. At the end, when he escapes into the star-speckled night, he is so small he almost disappears into the universe. Microcosm and macrocosm are one. He has conquered his destiny by surrendering to it.

Tomlin and Wagner have no such grand ideas. They aim only to poke fun at the American houseperson's conspicuous consumption—a bizarrely anachronistic target in the '80s, when every Jane Doe scrutinizes her biodegradable cereal box to make sure it has enough vitamins and minerals. So the film's first half mines the comfy-cozy, utterly on-pitch humor of an old Carol Burnett skit. In the happy California suburb of Tasty Meadows, every room is decorated in the pastels of progressive kindergartens, and the residents' chief concern is ring around the collar. In this cheerfully sterile atmosphere, where brains are not only washed but presoaked, Tomlin's goofy, blissed-out smile serves as both benediction and subversion.

The viewer is likely to smile along too, until *Woman* invades Cheech and Chong territory for stock comic complications and a slapstick climax. By film's end, the viewer's hopes have shrunk along with wee Lily. The razzle-dazzle finale —and a barrage of TV commercials and guest appearances by Tomlin and Co-Star Charles Grodin—may be working: *Incredible* is a hit. And so a film that meant to satirize Mad. Ave. techniques has succeeded by manipulating them. The real Lily Tomlin could make a good skit out of this. —*By Richard Corliss*

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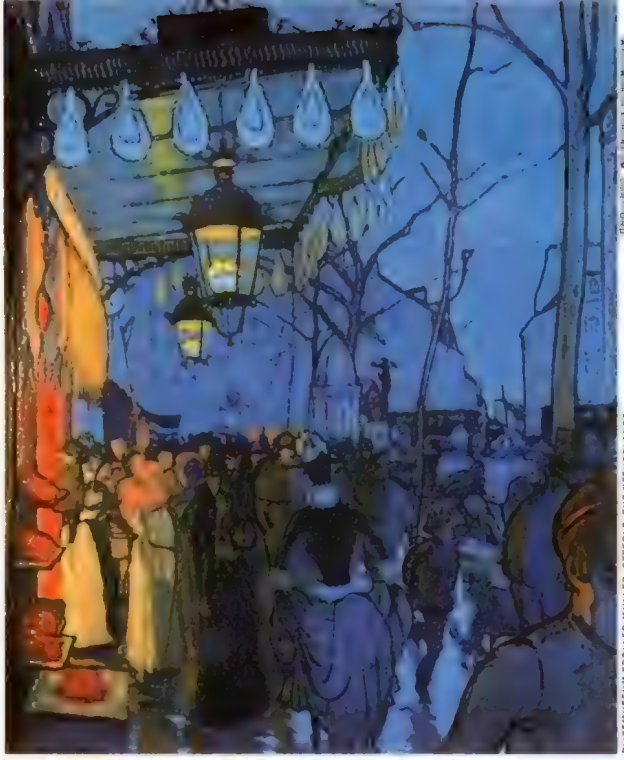
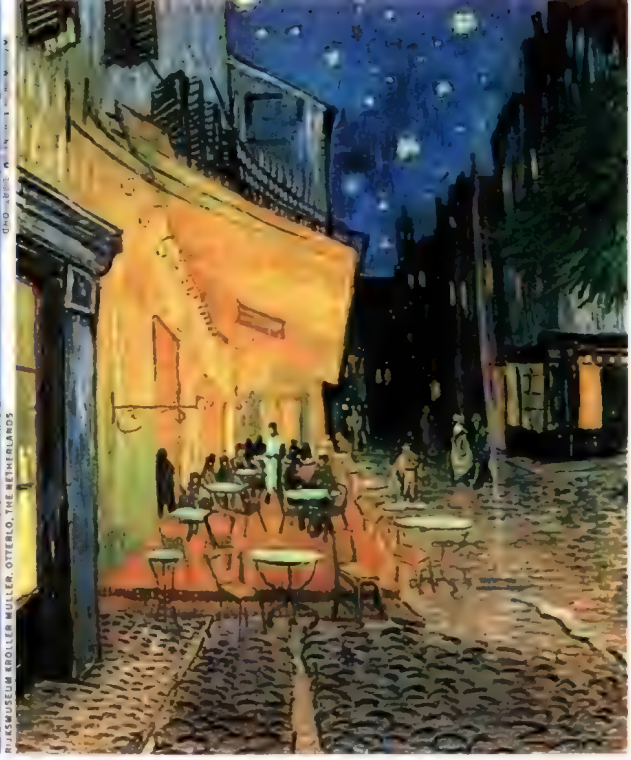


Louis Anquetin's *Avenue de Clichy: Five o'Clock*, 1887



Van Gogh's *The Café Terrace on the Place du Forum, Arles*, 1888

Art

Prophets of an Archaic Past

In Toronto, a major exhibition of Van Gogh and cloisonism

When did modern art begin? It is impossible to fix a date; the roots are too tangled in the subsoil of the 19th century. But one can point to some crucial events of its growth. One of them happened in France in the late 1880s, within a group of painters—some now familiar to us as secular saints or movie heroes, others still relatively ill-known—who kept venturing out of Paris toward more "primitive" places. Paul Gauguin and Emile Bernard ranged among the megaliths, the cold heather and the gaunt folk-Christs in Brittany. Vincent van Gogh pursued what he called "the gravity of great sunlight effects" in Arles. The pattern of these escapes was of great importance to modernism. It meant that artists, impelled by curiosity, were in a sense mimicking the colonial pattern of expansion and appropriation. They were becoming tourists in other ethnic realities, seizing on the distant world and its exotic contents as raw material. Arles in 1888, the year Van Gogh began work there, was more foreign to a Parisian than Tunis is today.

As in travel, so in art: the painters looked to foreign sources, inside and outside France, for inspiration—Breton carvings, the crude popular woodcuts known as the *images d'Epinal* and, above all, the Japanese wood-block prints that had been arriving in France in a steady trickle for the quarter of a century since Perry sailed into Tokyo Bay. What these influences produced, in the work of Van Gogh, Gauguin and the various painters who were, at one moment or another during the late '80s, linked to their work (among them, Maurice Denis, Louis Anquetin, Emile Bernard, Paul Sérusier and Toulouse-Lautrec) was a style known as cloisonism. The French *cloison* means "division" or "partition," and it was applied to a kind of enamelware whose patches of bright color were separated by fine metal lines. Largely because of the intensity of Van Gogh's genius, cloisonism became one of the key modernist styles, the sign of a new concern with the semantics of art (which were being explored in a totally different way by Cézanne in Aix and by Seurat with his light-filled dots), indicating a degree of aesthetic fundamentalism that had not been seen since Ingres's day.

The five seminal years of this style (1886-91) are the subject of "Vincent van Gogh and the Birth of Cloisonism," an exhibition on view at the Art Gallery of Ontario in Toronto until March 22, when it moves to the Rijksmuseum Vincent van Gogh in Amsterdam. (It will not come to the U.S.) The exhibition includes a large group of major paintings by Van Gogh, mostly from his time in Arles and St.-Rémy. They are backed up with an extraordinary selection of some 30 Gauguins and many remarkable paintings by the "disciples"—including Bernard, who turns out, like Anquetin, to have been a painter of real originality who can now be seen without Gauguin's shadow across him. This ambitious curatorial effort is the work of the Canadian art historian Bogomila Welsh-Ovcharov, and it is without doubt the most visually ravishing and intellectually satisfying museum study of early French modernism to be seen on the American continent in recent years—the Museum of Modern Art's great Picasso retrospective being the lone exception.

The Van Goghs by themselves, of course, are worth the ticket to Toronto. Dr. Welsh has assembled many of the best-known paintings, from the burning and writhing *Sunflowers* through the spiky lateen-rigged boats on the Camargue beach at Stes.-Maries; from the bedroom in the Yellow House at Arles to the tiny, dense icon of *The Sower*, a stubborn black lump distributing flakes of seed under the vast Apollonian wheel of the setting sun. Yet although these images have joined the noble clichés of art

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Art

history, they can be seen afresh through their relationship with the work of other artists. The service this show does for Van Gogh is to place him in a clear but somewhat unfamiliar cultural context, so that he is seen not as an inspired half-madman working out his obsessions in isolation, but as an artist in constant dialogue with his comrades.

Thus Van Gogh's painting of the café terrace on the Place du Forum in Arles (1888), with its harsh contrasting color —deep nocturnal blue against yellow lamplight under the awning, streaks of orange opposing the absinthe green of the café tabletops—was both a direct act of natural vision and a tribute to Louis Anquetin's *Avenue de Clichy: Five O'Clock in the Evening*, 1887. Anquetin, drawing on childhood memories of seeing his parental garden through stained-glass lozenges in the front door, had suffused his view of a Paris street in a deep luminous blue, relieved only by the harsh yellow-orange flare of gas lamps on the charcutier's awning.

Such "radical" developments were underwritten by an appeal to older systems of art, not only to the Japanese printmakers, whose cutting into the wooden block provided the essence of division between line and patch, but also to French masters like Ingres, with his steadfast differentiation between color and drawing. "Outline expresses that which is permanent, color that which is momentary," wrote the critic Edouard Dujardin, in the article that gave cloisonism its name. "The work of the painter will be something like painting by compartments, analogous to *cloisonné* . . ." If impressionism had banished the boundary line from art, Gauguin, Van Gogh and their colleagues put it back with a vengeance.

Obviously, these early modernists were formalists; what artist, at some level, is not? But their ambitions went beyond that, into the realm of symbolic meaning. This was particularly true of Van Gogh and of Gauguin, who eventually went to Tahiti in order to paint huge allegories of human fate. One sees this interest already in Brittany paintings like *Woman in the Hay*, an image drenched in anonymous sexuality, whose half-nude peasant woman sprawled on the hay is quoted directly from one of the female slaves in Delacroix's *Death of Sardanapalus*. These early modernists were not, after all, deeply concerned with the future, as the avant-garde would be 30 years later. They saw themselves as prophets —but obsessed, as prophets often are, with a past they wanted art to recover: a way of visual speech that was archaic, direct and sacramental. If some of the formal reductiveness of modern art begins with cloisonism, so does its hope for "primitive" eloquence about the deepest appetites of the self. The achievement of this marvelous show is to suggest how the two were entwined. —*By Robert Hughes*

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Will the Buck Stop Passing?

PAPER MONEY *by Adam Smith; Summit; 335 pages; $13.95*

George Washington, the incredible shrinking man on the dollar bill, warned against entangling foreign alliances. What would George think today? The world is knotted with defense treaties, trade agreements, international monetary plans; and each year $100 billion leaves his country in a cloud of imported oil smoke. This thunderhead of new wealth floats around the globe, threatening inflationary chaos wherever it hovers. Will it descend on gold, Beverly Hills real estate, Kansas farm land, New York co-ops?

Says "Adam Smith," pen name of George J.W. Goodman: "We have seen the greatest transfer of wealth in the history of the world, practically without a shot being fired." Saudi Arabia alone takes in $166 million a day for its oil. After two jolting oil shortages in the '70s, faith in paper money is badly shaken.

In some respects, OPEC is to the dollar what Charles Darwin was to fundamental Christianity; practically overnight a cartel that controlled most of the planet's known oil reserves demonstrated that financial security was not necessarily descended from paper currency. "The store of value," writes Goodman, "had become oil. The yen, the marks, the dollars, the francs were spent; the oil was saved."

Inspecting new dollars in Washington, D.C.

Paper Money is clear, succinct and consistently engaging about the evolution of this embarrassing and potentially bank-breaking situation. The book is quite simply the best exposition of the subject available to the general reader. This is not surprising since Goodman, a former magazine journalist, financial editor and investment manager, writes about economics as a lively art, not as a dismal science. Here he is pondering the Big Bang theory of real estate: "Why should bricks and mortar, wood and paint, increase in price even faster than inflation? It is because not only is the currency diminishing in its worth relative to fixed objects, but *belief* in the currency is diminishing even faster, at a geometric rate. Thus the conventional wisdom, that what goes up must come down, may be false physics." But who knows for sure? Says Goodman: "One of my old maxims runs: Financial genius is a rising market. Booms create heroes. Someone who can flip a coin to come up heads ten times in a row will be asked not only about his technique of flipping nickels but about his opinions on events in Washington."

The author goes there to see Arthur Burns, then chairman of the Board of Governors of the Federal Reserve, and discovers that events in Washington are part of the problem. In the first half of the '60s, U.S. inflation frolicked between 1% and 2%. Then Lyndon Johnson spent billions for war in Southeast Asia and his Great Society programs. This bequeathed to Richard Nixon a 5% inflation rate, which he tried to curb by tightening credit, raising taxes and instituting wage and price controls. When the controls came off, money under pressure shot into the marketplace, and now double-digit inflation is commonplace.

There were also what an economist friend of Goodman's calls "exogenous variables," unexpected occurrences that mess up neat computer models. During the '70s, for example, there was a big jump in the cost of grain after the Soviets had to buy in the U.S. to offset their own crop failure. Hamburgers went up too, when billions of fish that would have been ground up as cattle feed disappeared from the waters off Peru.

Behind all this, like a silent case of hypertension, was the huge climb in international oil consumption: 3.7 million bbl. a day in 1950, 34.2 million bbl. a day in 1973. Goodman's paper chase leads to Venezuela, where an intellectual oil minister named Juan Pablo Pérez Alfonzo was having heretical ideas. First: oil, a finite resource, should be conserved. Second: there was no reason why the producing nations should not regulate the price of their chief export. The rest is history, and very much part of the present. OPEC was founded, modeled on the Texas Railroad Commission and shaped by oilmen who were educated in the U.S.

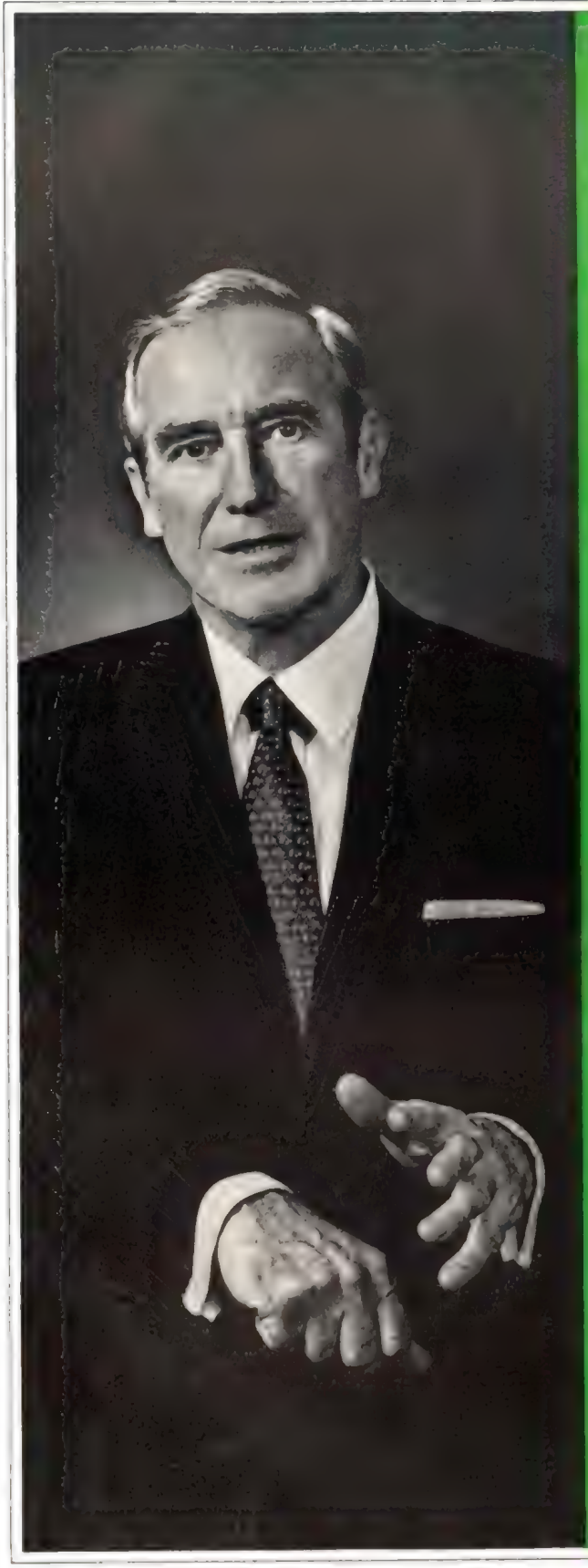
Goodman populates this basic plot with characters from Keynes to Khomeini; he simplifies economic theory without being condescending; he gracefully adjusts simplistic views to cohere with the complexities of a world in which things are rarely what they seem and where one must choose enemies more carefully than friends.

What of the future? Goodman does not indulge in hollow optimism or shrill pessimism. He is worried. If Saudi Arabia, which accounts for nearly one-third of OPEC's output, drastically cuts the flow, there will be economic depression in the West. On the brighter side: Saudi Arabian moderation may prevail in the Middle East; conservation and higher production in the West may curb the growth of petrodollars, increase confidence in currency and spur a greater sense of community. The bottom line of *Paper Money* is that, depending on those pesky exogenous variables, things could go either way. But before there is a run on the bank, there should be a jog to the bookstore.

—By R.Z. Sheppard

Excerpt

"We ask, Can OPEC hold together? The economists have said no, it can't, it's a cartel, cartels don't survive, it says so right here in this book. The economists knew only numbers, not *asibaya*, not an Arab sense of community, not the Third World flexing its muscles. We ask, Where will the price go? Ten years ago not a single economist could foresee a tenfold increase in price. OPEC is a Club, not quite a cartel, not as well organized as the Texas Railroad Commission, sometimes more like a bunch of 18th century privateers waiting for the fat Spanish galleons to pass. It has survived a 35% drop in demand for its oil, in 1975; it has survived late-night screaming among its members at meetings; it has survived even a real shooting war between two of its major producers. For all its quarrels, it has held together better than the Mighty West. It will survive until the oil consumers develop energy independence and the diplomatic cohesion and skills that are appropriate to major powers."



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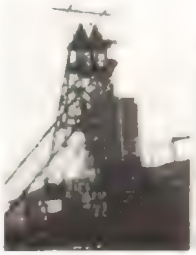

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More Lessing

THE SIRIAN EXPERIMENTS
by Doris Lessing
Knopf; 288 pages; $11.95

This is the third installment of a space saga that Author Doris Lessing calls *Canopus in Argos: Archives*. That running title is matched by the pace of Lessing's production: three good-sized novels in the past 16 months. *Shikasta* (1979) tells of a primitive, beautiful planet called Rohanda, which is being jointly colonized by the two vast galactic empires of Canopus and Sirius. A misalignment of cosmic forces throws Rohanda awry; its developing inhabitants stop listening to their wise tutors and begin behaving suspiciously like members of the human race. The Canopean overseers sadly change the place's name to Shikasta, "the hurt, the damaged, the wounded one." In *The Marriages Between Zones Three, Four, and Five* (1980), Lessing unveils a different terrain in her new universe. A queen and king from adjoining regions are commanded by the mysterious powers to marry and restore fertility to their kingdoms. They do not like each other. Their struggles to obey the order are comic, poignant and ultimately successful

Doris Lessing
Watching the spectacle of human savagery

The Sirian Experiments, unfortunately, recapitulates as much as it adds. The primary subject is once again the catastrophe that overtakes Shikasta (earth). The observer this time is a woman named Ambien II, a virtually immortal emissary from Sirius. She was in on the original cultivation of Rohanda-Shikasta. She retains a proprietary interest in the ailing planet, and visits it every eon or so. In addition to the unfolding spectacle of human savagery, she sees some spectacular sights. She happens to be flying over in a small bubble of a spaceship when the planet suddenly tips over from

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its upright axis. Her description of this cataclysm, all grinding continents and sudden snow, is the most vivid part of her report.

While keeping tabs on Rohanda, Ambien II begins to believe that Canopus is far more advanced than Sirius. The Sirians are technological wizards, but every millennium or so they discover that their ever more sophisticated machines have rendered more people useless and unhappy. Ambien suspects that the Canopeans have achieved a wisdom that transcends this problem, and she initiates a friendship with Klorathy, a senior Canopean administrator, in the hope of prying his secrets away. The job is not easy. He has the habit of answering a question with another question. He is also given to interstellar bromides: "Everything is relative, you know!" After a while, the sessions between these two begin to read like something called *Zen and the Art of Empire Maintenance*.

The Sirian Experiments is frequently marvelous, in several senses of the word. But Lessing's admiration for Canopus often nudges her from telling into preaching. In fiction, the knowledge that one character has all the answers works against suspense. The realization that those answers are not forthcoming puts great strains on patience. But another volume is reportedly on the way, and others are likely to follow. *The Sirian Experiments* may be a small misstep on a long journey. To be continued. —*By Paul Gray*

Don *Vivant*

A TREASURY ALARM
by Jocelyn Davey
Walker; 229 pages; $9.95

Ambrose Usher sniffs and swirls a mystery as he would a vintage claret from the cellars of his Oxford college. A philosophy don *vivant* who is summoned from time to time to put down wickedness on behalf of Her Majesty's government, he is the most erudite amateur detective in current fiction.

In *A Treasury Alarm*, Jocelyn Davey's fifth Usher novel, Ambrose is in the exotic city of Boston to deliver a series of lectures at nearby Harvard. The Treasury—"the innerest of inner circles"—asks him to look over an improper Bostonian named George Fletcher, who is busily gobbling up key British companies, possibly for the Soviets. Usher had known and much disliked the conglomerator in his days as an economic attaché to the British embassy in Washington (*A Capitol Offense*). He had also known and much liked Fletcher's wacky, lovely wife Gloria, who died driving her Jag too fast. In fairly short order, given his necessity to invoke Goethe, Swinburne, Auden, the Old Testament, Shakespeare, Conrad, Dostoyevsky, *The Barber of Seville*, Beethoven, Berenson, Vasari and

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The permanent record of a once-in-a-lifetime event.

PABLO PICASSO: A RETROSPECTIVE

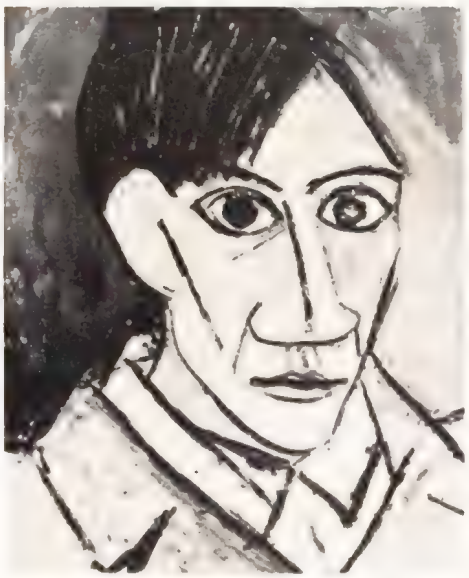


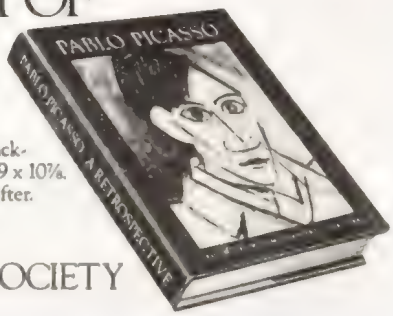
Illustration: Self-Portrait, 1907. National Gallery, Prague.

The catalog of the Picasso retrospective at The Museum of Modern Art, like the exhibition itself, is an unprecedented achievement. Of the 758 works in all media, from all periods of the artist's career, some 300 are from the new Picasso museum in Paris; about 80 have been lent by Picasso family members; the rest are from museums and private collectors throughout the world, and from MoMA itself. Such a comprehensive collection is unlikely to be assembled ever again. *New York* magazine calls it "the most important exhibition since the Armory show in 1913."

PABLO PICASSO: A RETROSPECTIVE, with nearly 1,000 illustrations, does full justice to this extraordinary event. More than 200 works of art, an unusually large number, are reproduced in color. A work of art itself, this volume shows the continuity and unity of this twentieth-century titan's work as never before. One of the greatest of all museum exhibitions has yielded one of the most indispensable of all art books.

THE MUSEUM OF MODERN ART NEW YORK

758 illustrations, 208 in color, plus 181 black-and-white reference illustrations. 464 pp. 9 x 10¾. $45.00 until January 1, 1981; $50.00 thereafter.



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other fonts of circumstantial wisdom. Usher stumbles into a morass of rot in Mass. As friends keep telling him, "Things don't happen to you: you happen to things."

One happenstance is Usher's discovery that Gloria Fletcher had in fact been killed by her tycoon husband. The don also finds out that Fletcher is a front man for John P. Harrigan, godfather of Boston's Irish Mafia, whose laundered money is being used for suspicious purchases abroad. Through the delectable Alyss Summers, an art historian, Usher learns that Harrigan has stolen a Donatello statue of St. John the Baptist, as well as a relic of the saint, from a church in Siena. Between lectures Usher gets involved in a gang war, a stratagem to rescue the Donatello, attempts on his life and gory efforts to derail Harrigan's shenanigans. He is assisted by an American pop economist, a rumbustious Boston newspaper editor, a skirt-chasing Turkish prof, a Swin-

Jocelyn Davey

More whosaidit than whodunit

burne-spouting I.R.A. turncoat, a high-level Treasury official with the unlikely name of Sir Olaf McConnochie—and the admirable Alyss. Though Davey's novels tend to be more whosaidits than whodunits, *Treasury* offers alarums and excursions aplenty.

Jocelyn Davey is the nom de plume of Chaim ("Rab") Raphael, who has been an Oxford don, a Foreign Office functionary and spokesman for the Treasury, and is as volubly at home in the fleshpots of North America as he is among the arcane outer reaches of literature, music and art. It is no secret that Ambrose Usher is modeled on Sir Isaiah Berlin, the high-wattage Oxford intellectual, government adviser and nonstop conversationalist. Sir Isaiah is 71. The ebullient Ambrose, of course, has the fictional hero's privilege of suspended birthdays. Or else cloak and mortarboard are more potent rejuvenators than powdered rhino horn. Only Alyss knows. —*By Michael Demarest*

Managing Chemical Wastes

What the chemical industry is doing to improve waste-disposal methods

America's chemical companies have already invested hundreds of millions of dollars in safer, better waste-disposal methods. We'll spend over $2 *billion* more on waste-disposal facilities in the next two years. Here's how we're advancing the "state of the art":

1. Eliminating wasteful processes

We're redesigning manufacturing processes and improving efficiency. We're adding on-line treatment systems to neutralize, reduce in volume or change the nature of waste by-products. We're also using recovery techniques that let us recycle wastes back into the production process. One company, for example, is salvaging phenol, used to manufacture plastics, pharmaceuticals and other useful products.

2. Building secure landfills

Secure landfills have a barrier that keeps wastes from seeping out into groundwater and keeps groundwater from migrating through the landfill. Other features may include facilities for recycling liquids or a wastewater treatment unit to clean up liquids for safe disposal. Landfills—if *properly* designed, operated and monitored—are one of the best ways to dispose of many kinds of solid wastes.

3. Continuing industry commitment

We were finding ways to manage solid wastes long before the nation recognized the need for better waste-disposal methods. In fact, we already had much of the required waste-disposal technology and remedial strategies in place—or being developed—when Congress passed the Resource Conservation and Recovery Act of 1976, which sets forth strict waste-disposal guidelines.

4. Sharing knowledge and new technology

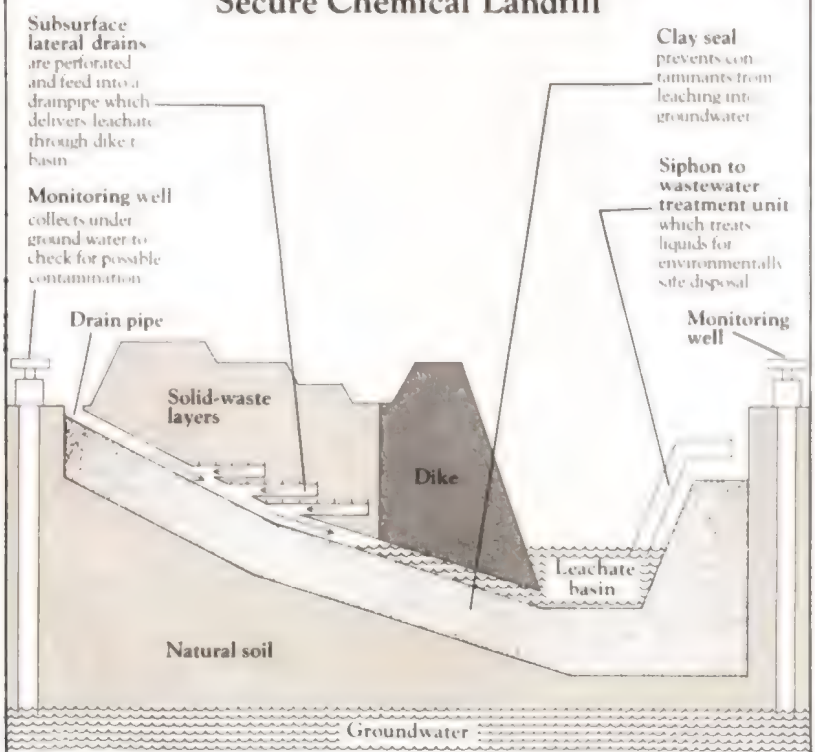
As we develop new waste-disposal techniques, we share our knowledge with industry, government and the public. In 1979, we began conducting a series of regional seminars that presented current techniques for solid-waste disposal. Individual companies may use videotapes, visual aids or other techniques to train personnel in waste-disposal methods.

5. Encouraging solid-waste exchanges

Sometimes one chemical company's wastes can become another company's raw material. Fluoride wastes from a phosphoric acid plant, for example, can be used by a company producing aluminum. So the chemical industry has encouraged the development of waste-exchange organizations, which develop and distribute lists of available wastes.

For a booklet that tells more about what we're doing to protect the environment, write to Chemical Manufacturers Association, Dept HT-102, Box 363, Beltsville, MD 20705.

Secure Chemical Landfill



Depending on the solid waste, the chemical industry selects disposal techniques such as incineration, by-product recovery, stabilization or secure landfill design to protect the environment.

America's Chemical Industry

The member companies of the Chemical Manufacturers Association

Barbizon belles: Crawford, MacGraw, Bel Geddes, Bacall, Bergen, Kelly

The Breaching of the Barbizon

A bastion of virtue and beauty goes coed

On St. Valentine's Day (heh! heh!), to the strains of *All the Way* (get it?), a male guest registered and was duly admitted to Manhattan's Barbizon Hotel. In earlier times, last week's ceremony would have been like welcoming a satanic nuncio to St. Patrick's Cathedral. Since its founding in 1927, the Barbizon had been one of the few places in Gomorrah-on-Hudson where a girl could take her virtue to bed and rest assured that it would still be there next morning. As the late Sylvia Plath wrote of the Barbizon in *The Bell Jar*—she called it the Amazon—the hotel was a place "for women only, and they were mostly girls my age with wealthy parents who wanted to be sure their daughters would be living where men couldn't get at them and deceive them."

O tempora! O mores! It has been some years since young women needed or wanted such protection. As a near convent in an area of singles bars, the once elegant hotel had sadly declined before its purchase last year by a partnership that includes the Oberoi Hotels of India, Asia's largest hotel chain. While reserving a wing for the 113 women who still live there (some of them for more than 40 years), the new owners have started to remodel the 22-story building as a conventional hotel open to everyone.

In its heyday the Barbizon was both legend and landmark. Innumerable were the tales of ardent swains who essayed in vain to penetrate the upper floors disguised as doctors or dads. Mae Sibley, a bright-eyed sprite who was the hotel's assistant manager and housemother to the girls, kept close tabs on their comings and goings. A girl needed three good references to be considered for admission, and then was graded by such criteria as family, looks, dress and demeanor.

The Barbizon harbored the greatest concentration of beauty east of Hollywood. Its residents, paying as little as $12 a week for their pink-and-green, 9-ft. by 12-ft. cubicles, ran largely to aspiring models and actresses. Many ran far, among them Grace Kelly, Joan Crawford, Gene Tierney, Lauren Bacall, Barbara Bel Geddes, Dorothy McGuire, Liza Minnelli, Ali MacGraw, Candice Bergen, Cloris Leachman. Eileen Ford stabled her young models at the Barbizon. The Katharine Gibbs secretarial school reserved three floors for its students.

Afternoon tea was on the house; its bite-size sandwiches were the day's main meal for many strivers. There were musical evenings, a swimming pool and a gym, a library and—not least—two lounges where girls and boys could play Glenn Miller records or backgammon, or subtler games of eye and inflection. Until Mae Sibley arrived at the stroke of 10 p.m. and announced that it was time for the gentlemen to withdraw. Good night, Miss Sibley. Good night, Barbizon. ■

Hill of Beans

Reagan's favorite candy

Except at Easter, when they cling glutinously to countless baskets of green plastic grass, jelly beans have never ranked high in the American sweet-tooth sweepstakes. Now, with Ronald Reagan in the White House, they seem fated to achieve the luster that the praline of sugar and nuts enjoyed in the court of France's Louis XIV.* Jelly bean consumption is jumping, not only in the capital but throughout the rest of the country as well.

The type most esteemed by the President is brand-named Jelly Belly, which —addicts vow—is to the ordinary jelly bean what foie gras is to liverwurst. About one-fourth the size of the Easter-basket staple and three times as expensive (up to $4 per lb.), Bellys come in an array of 36 flavors. Their manufacturer, Herman Goelitz Co. of Oakland, maintains that the flavors are so delicate that the beans should be eaten one at a time, not by the vulgar handful. How else to appreciate the richness of the coffee mocha, the tang of the piña colada, the bouquet of the strawberry daiquiri? Aficionados are encouraged to eat a few select Bellys *two* at a time, however. Popping a coconut and a lemon simultaneously produces a taste resembling lemon meringue pie.

While several other candy companies have joined the beaning of America, 60-year-old Goelitz tops the pricey market (the leading mass manufacturer is E.J. Brach & Sons of Chicago). Goelitz has been supplying Reagan since he became Governor of California 14 years ago. In those days, Governor and visitors consumed two dozen 1-lb. bags every month or so (there are 425 Bellys to the bag). Now Goelitz has a standing order to ship up to 60 cases (720 bags) of Jelly Bellys to Washington each month. They go to the White House, to Capitol Hill and just about every Government agency. While John F. Kennedy favored Callard & Bowser toffees, and British Prime Minister Harold Macmillan would seldom venture abroad without his kippers, neither statesman's penchant influenced popular taste as Reagan's Bellys have.

Genus jelly bean is a descendant of Turkish delight, a gelatinous confection dating from biblical times, and a French technique called panning, in which the soft centers are hard-coated with syrup and sugar; the process takes up to two weeks. Goelitz plants in California and Chicago are now on six-day weeks; new orders take two months or more. Unless you drop in at the Oval Office. ■

*Invented during the Sun King's reign by the Marshal Duplessis Praslin's chef, pralines today are a specialty sweetmeat of Louisiana, the state named for Louis

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